

wherever possible in order to give this particular program the control it needs, as well as the service.

Mr. McGrath: Mr. Speaker, a supplementary question. Last year the Auditor General identified \$95 million in overpayments and made specific recommendations. He outlined the fact that existing control procedures were inadequate. Obviously, his recommendations were not acted upon because the total has now gone to over \$200 million.

Why were the recommendations of the Auditor General not acted upon last year, and how does the minister explain the fact that we are faced with another \$142 million overpayment?

Mr. Cullen: Mr. Speaker, it was precisely because of the Auditor General's report that we took action in the pilot project known as Information on Hirings. As one of the steps we are improving the quantity and quality control. The increase the hon. member has thrown in is actual overpayments that we detected and most of which have been collected. He adds that on to the \$142 million but, in fact, the two are not comparable. The supposed overpayment indicated by the Auditor General is the \$142 million and, as I have indicated, we are working in four or five different areas to tighten up the control mechanism.

It must always be remembered that we have to balance this with service to something like 2.3 million people. We pay out close to \$4 billion per year. I think this program stacks up well against OHIP, workmen's compensation or any payments in the private sector to large numbers of people.

Mr. McGrath: Obviously, Mr. Speaker, the minister is saying to us, "What's \$142 million?"

Mr. Cullen: No, I am not.

Mr. McGrath: I can assure him that the House is entitled to an explanation. What steps did he take last year, when the Auditor General said that control procedures were inadequate? At that time there was \$95 million in overpayments.

What steps did he take at that time, and will he now, through his House leader, make provision to have a report of his department containing this special audit by the Auditor General referred to the Standing Committee on Public Accounts, or does he subscribe to the view of the UIC director that the increase in overpayments is not major?

Mr. Cullen: Mr. Speaker, I met with the Auditor General both before and after his report last year to indicate that we would like to have stronger control mechanisms. We have to indicate to him how much money we are prepared to spend in addition to what we are spending now to put that control mechanism in place. We indicated to him that we were bringing forward a program on information on hirings which would be helpful. The computer programming that we are putting in place, the improvement in the quantity and quality control, all these mechanisms are directed to helping us in this particular area of control.

Oral Questions

I am surprised the hon. member would suggest that I made the statement, "What's \$142 million?" That statement was never made. I am very much concerned, not only as a result of this, but the UIC director indicated the increase from last year was something like \$19 million. Given the increased number of claims, the increase in the amount of pay-out and the extended length of period that people are on particular claims, the difference was about \$19 million. When he said \$19 million, I suspect he was indicating that \$19 million of a difference in a \$3.9 billion payment is probably not a significant figure in that context.

● (1422)

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, we think that over \$210 million is certainly very significant: it is major and it calls for action. I notice that the minister ignored one of the most important parts of the hon. member's question.

Will the minister now stand up and state that he will be prepared to recommend to the government House leader that this entire matter, particularly the Auditor General's report, be referred to the Standing Committee on Public Accounts for study? Surely this sort of mismanagement and ineptness in connection with government restraint calls for this matter to be examined. Will you recommend that to the government House leader?

Mr. Cullen: Mr. Speaker, I never thought that in the House of Commons I would see the time when the hon. member for St. John's West would have to have his question pumped up and psyched up by the hon. member for Hamilton West.

Some hon. Members: Oh, oh!

Mr. Cullen: The fact of the matter is, and the hon. member for Hamilton West should know this, that we tabled our reports yesterday spelling out this particular statement made by the Auditor General, as well as several other positive things that have come about. The hon. member also knows that the Auditor General will, in fact, be making a report on this particular subject and that that will be referred to the public accounts committee.

I would challenge the hon. member to find any other program of this size, where direct payments have to be made to the public, where the error factor or the overpayment can be shown to be better than the one in this program.

Mr. Alexander: Mr. Speaker, I am used to this minister and his flim-flam. Now let me talk about the \$210 million. Is this an entire loss to the Canadian people, through this government's incompetence, or is the minister prepared now to stand up and tell the Canadian people what steps he will take in order to try to recover some of this \$210 million?

Mr. Jamieson: Including St. John's East.

Mr. Alexander: Let's hear from you on Namibia.