

UNEMPLOYMENT INSURANCE

REQUEST FOR CLARIFICATION OF CONTRADICTORY STATEMENTS CONCERNING INVESTIGATION OF FRAUD

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the Minister of Manpower and Immigration as a result of questions asked by the hon. member for Leeds regarding the investigation which was allegedly carried on by the RCMP regarding dummy companies and frauds. The minister is reported to have stated outside the House that the investigation revealed more than an ordinary problem and that he considers this to be a serious situation because of its size. That answer implies that the RCMP was involved. Yet today, according to this afternoon's *Ottawa Journal*, Sergeant Gordon Butt, temporary head of the RCMP's commercial crime section at "A" division said the force was dealing with only one fraud charge involving a minimal amount of money. Actually, they were surprised about the extent of this investigation. Is the minister now in a position to indicate to the House how this discrepancy has come about, and can he clear the air?

● (1450)

Hon. Robert K. Andras (Minister of Manpower and Immigration): Yes, Mr. Speaker, I think the hon. member for Hamilton West might begin by asking a question of the hon. member for Leeds. My comments of yesterday, and particularly one report which I have seen by Canadian Press suggesting that I said this could amount to hundreds of thousands of dollars, were inaccurately portrayed. It could amount to thousands of dollars and that, indeed, is serious. I could not take lightly the possibility of fraud with regard to unemployment insurance or any other matter. I do not think there is anything wrong with my saying it is serious. It is under investigation by the Royal Canadian Mounted Police, and I am told that the investigation was undertaken at the instigation of the Unemployment Insurance Commission, which did a preliminary investigation and decided the police should be called in to conduct the investigation.

As for the scope of the investigation and further details on it, I believe it is not proper for me to reveal what I know about it in the House until the investigation has been completed, and until I have information from the chairman of the commission or an inspector of the Royal Canadian Mounted Police to that effect.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGATION UNEMPLOYMENT INSURANCE COMMISSION NOT CO-OPERATING WITH FORCE IN INVESTIGATION OF FRAUD

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, it has also been alleged that the Unemployment Insurance Commission is not co-operating with the RCMP and not releasing documents in order that the RCMP can go through with its investigation. I ask the Solicitor General, has this matter been brought to his attention and is it true that the Unemployment Insurance Commission is stone-

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walling the activities of the RCMP with respect to this needed investigation?

Hon. Warren Allmand (Solicitor General): Mr. Speaker, the commissioner of the RCMP was with me this morning, appearing before the justice committee, and he said that is a lot of nonsense.

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UNEMPLOYMENT INSURANCE

ALLEGATIONS OF FRAUD—POSSIBILITY THAT LOOPHOLES IN THE ACT NEED CLOSING

Mr. Lincoln M. Alexander (Hamilton West): A supplementary question, Mr. Speaker. As the minister indicated that this is a most important matter and has said that it is more than an ordinary problem, can he say what kind of problem he faces at this time, the size of the problem and whether his investigation to date has revealed a significant loophole in the act which requires closing?

Hon. Robert K. Andras (Minister of Manpower and Immigration): Mr. Speaker, I would think the question of fraud involves more than an ordinary problem. We hear from time to time in this House and outside accusations regarding the misuse and abuse of the act. These involve individuals who may fail to meet their obligations under the act, but these are often exaggerated. But fraud is entirely different. If the hon. member implies that I am stretching my imagination or the facts, and indicating that my attitude to fraud is not serious, then he and I are in complete disagreement.

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EXPORT DEVELOPMENT CORPORATION

POSSIBILITY OF INVOLVEMENT IN ASSISTING NORANDA MINES DEVELOPMENT IN CHILI—GOVERNMENT POSITION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to direct my question to the Minister of Industry, Trade and Commerce. On April 14 I asked the Secretary of State for External Affairs whether the government, directly or indirectly, through the Export Development Corporation was assisting or proposing to assist Noranda Mines Limited or any of its subsidiaries in developing a copper mine and smelter at Andocollo, Chile. The minister seemed not to know the answer, or did not give a clear answer. The hon. member for Saint-Hyacinthe directed a similar question to the minister's parliamentary secretary yesterday or the day before, I forget which. Is the minister now able to tell the House if the Export Development Corporation is in any way involved in this Noranda project in Chile.

Hon. Donald C. Jamieson (Minister of Industry, Trade and Commerce): Mr. Speaker, I was only advised of the question of the hon. member for Saint-Hyacinthe yesterday, as I arrived back just before the question period, and have not had a chance to look into it. I think the hon. member's question repeats the basic query of yesterday. I have asked for a detailed explanation. I simply had an oral statement given to me as I came into the House and