

Mr. MacDonald (Egmont): Mr. Speaker, may I direct a supplementary question to the Minister of Energy, Mines and Resources about the payment by Atomic Energy of Canada Limited of some \$15 million to an agent for negotiating a CANDU sale to South Korea? Since \$8 million of that sum was paid, in the words of the Auditor General, without adequate documentation with respect to expenses incurred, will the minister assure the House that no payments whatever are to be made by AECL to agents in Korea, to any Korean government officials or their relatives?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I am most concerned about the inferences which can be drawn from the reading of the Auditor General's report with respect to those payments to which the hon. member alluded. I hope that this matter can be dealt with at an early date by the public accounts committee. I spoke to the chairman of that committee this morning and expressed the hope that the public accounts committee might meet at an early date and call the Auditor General or his officials—

Mr. Fairweather: And the minister's officials.

Mr. Gillespie:—my officials and, yes, officers of Atomic Energy of Canada Limited, and myself.

Some hon. Members: Hear, hear!

Mr. Gillespie: Mr. Speaker, I think the only way we can clear up the situation is by dealing with it as soon as we can.

Mr. Hnatyshyn: How about the Argentina situation?

TOTAL AMOUNT SPENT ON AGENTS' FEES—POSSIBLE USE OF AGENTS IN PURSUIT OF OTHER SALES

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker. I wonder if the minister would consider telling this House how much money his department or AECL has spent on agents' fees in the area of nuclear generating stations and other nuclear hardware made available to foreign countries? Would he tell us whether payments as high as \$15 million, as in the case of South Korea, are customary and can he indicate whether agents are presently active in pursuit of such sales in countries such as Indonesia?

● (1450)

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): As the hon. member will note from the Auditor General's report, these fees have only been paid on the consummation of a contract.

Some hon. Members: Argentina!

Mr. Gillespie: Yes, the Argentina contract and the Korean contract. As to the scale of fees, AECL has negotiated with agents who may at this time be representing the agency in attempts to secure foreign business; I would be happy to provide the hon. member with that kind of information.

Oral Questions

GOVERNMENT ADMINISTRATION

REQUEST FOR RECONCILIATION OF STATEMENTS ON EXPENDITURE CONTROL BY AUDITOR GENERAL AND MINISTERS

Hon. Robert L. Stanfield (Halifax): Mr. Speaker, I wish to direct a question to the President of the Treasury Board. Can the hon. gentleman reconcile for me the repeated assurances given by his own predecessor as well as by the Prime Minister that the government was exercising stringent control over expenditures; exercising restraint, cutting back, and supervising expenditures very carefully—how can we reconcile such statements, which we have heard many times over the past year or so, with the statement of the Auditor General that the government has virtually lost control over expenditures? If the hon. gentleman cannot reconcile what appears to be a flagrant contradiction, how can he expect any of us to have the slightest confidence in the assurances he is giving us today?

Some hon. Members: Hear, hear!

Hon. Robert K. Andras (President of the Treasury Board): With regard to the budgetary process, the approval of the allocation of resources to various departments, budgetary and non-budgetary, I can absolutely guarantee that this is being brought under control and that the expenditures for fiscal 1976-77 will be within the commitment made by my predecessor and that there will be further reductions in terms of the GNP and the other commitments we have made with respect to the budgetary and non-budgetary process. I do not detect that the Auditor General was questioning this in his comments. His concern, as I understand it, relates to procedures after the authorization of budgets for the various departments, the control of cash expenditures thereafter, effectiveness, and so on. This is an area where we have frankly indicated we share the concern expressed by the Auditor General and in which we wish to make improvements. We are in the process of implementing many measures in this regard. Again, I would refer the hon. member to the progress report for guidance as to what we are attempting to do in this field. I think one has to make a distinction between the budgetary process and day to day operations.

Mr. Stanfield: Is the President of the Treasury Board telling me this afternoon that the Prime Minister, and his own predecessor in office, have not repeatedly given this House the impression that they were exercising the tightest control not only over the budgeting but over the actual spending of the money? Is he denying that members of the government, from the Prime Minister down, have repeatedly given the House and all Canadians that kind of assurance during the last couple of years?

Mr. Andras: The hon. member has heard what he wants to hear. What I have said is certainly correct. The budgetary allocation of resources is very much being brought under control. We recognize, by the very actions we are taking and which I have been talking about, that a great deal of improvement is required with regard to day to day expenditures and so