

the government make available from the books of the company the names of those receiving the kickbacks in order to clear the good name of the many hundreds of citizens who do business with this corporation?

● (1127)

**Hon. Robert K. Andras (President of the Treasury Board):** The government did not authorize these practices. In fact, when they were brought to the attention of the government by the Auditor General, who is the auditor of the Canadian Saltfish Corporation, and has been for several years, action was taken. The action which the President of the Treasury Board took was to consult with the minister to whom this Crown corporation reports, and indeed the Auditor General and the Minister of State for the Environment, who is the minister to whom this corporation reports, took the necessary action to see that this practice ceased. As to disciplinary action, I am not in a position to give the precise nature of that yet. As to the disclosure of the exact names of the recipients, I would prefer to deal with that when we are before a committee and after consultation with my colleague.

**Mr. Crouse:** Since the Auditor General's report states that this practice was followed last year as well as in previous years, can the minister say how much money was kicked back in total and what action the government plans to take in determining whether there is evidence of tax evasion, and that this information be provided to the tax authorities in the countries concerned to enable them to collect taxes that are due, since the minister knew about the kickbacks as long ago as August 4, 1977?

**Mr. Andras:** The date of August 4 to which the hon. member referred may be accurate. It strikes me as being quite likely. That is the time when these practices were brought to our attention by the auditor of the Canadian Saltfish Corporation who is the Auditor General. With regard to the exact amount of money, I do not have that figure in my mind at the moment but I will undertake to make sure that the hon. member is informed of it.

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#### GOVERNMENT ADMINISTRATION

##### EXTRA PAYMENTS TO LANDLORDS FOR BUILDINGS RENTED BY EXTERNAL AFFAIRS—REQUEST FOR DETAILS

**Mr. Douglas Roche (Edmonton-Strathcona):** In the absence of the Secretary of State for External Affairs I will direct my question to the President of the Treasury Board. The Auditor General also called into question the payment of \$508,000 by the Department of External Affairs to landlords in host countries. Can the minister inform the House which countries are involved, why the government has accepted this as normal practice over the past 20 years and how much money was paid in such a manner over this 20 year period?

#### Oral Questions

**Hon. Robert K. Andras (President of the Treasury Board):** I think the amount of money has already been identified by the hon. member in his question. As to naming the countries, I will not do so for very obvious reasons.

**An hon. Member:** Why not?

**Mr. Andras:** For reasons which I think any hon. member would anticipate.

**An hon. Member:** Tell us. This is Canadian taxpayers' money.

**An hon. Member:** What reasons?

**Mr. Andras:** Some measures are being taken to discuss this in the Public Accounts Committee.

**An hon. Member:** What are the obvious reasons?

**Mr. Andras:** It will be discussed in the committee with, I hope, a prearranged understanding of the delicacy of dealing with practices in other countries. The hon. member has spoken about this practice having gone on for 20 years. The fact is that this has been a fairly standard practice in almost every country in the world where there is a diplomatic representation, such as in certain of the countries involved. Indeed, the action we are taking now may be somewhat unprecedented. I think hon. members would recognize that.

**Mr. Gillies:** Is it unprecedented to be honest?

**Mr. Andras:** It is not unprecedented. The practice may be unacceptable, but it has been the practice of every other country we know. No benefit has been conferred on any member of the Department of External Affairs. It is a practice that has been going on for years in almost every other diplomatic mission in the countries involved.

**Mr. Gillies:** That makes it all right. That justifies it.

**Mr. Andras:** As a matter of fact, this issue arises because we are probably one of the few countries, if not the only country, that has established new guidelines in that respect. In fact, I have enunciated them on behalf of the government on December 16. I also said at that time that it will cause some difficulties. If we establish the principles under which we want to operate it is going to be expensive, but our action is unprecedented in changing this practice. This is not a question of the practice up to now having been different from that of other countries.

● (1132)

**Mr. Roche:** Mr. Speaker, it is not obvious to me why the government will not reveal the names of the countries. I think it is quite important to the taxpayers of Canada to know which countries are involved and how this practice is going to effect our relationship with those countries now that it has been exposed by the Auditor General. Considering the fact that the Auditor General has revealed that both cash and cheques were involved, and that the payments were made both within a host