

*Oral Questions*

● (1110)

**ORAL QUESTION PERIOD**

[English]

**ATOMIC ENERGY OF CANADA LIMITED**

CONTRACT WITH ARGENTINA—INQUIRY WHETHER MINISTER REVIEWED TERMS OF RENEGOTIATED CONTRACT

**Mr. Joe Clark (Leader of the Opposition):** Mr. Speaker, my question is for the Minister of Energy, Mines and Resources who was here a moment ago. Mr. Speaker, I see he has just returned. Was the minister looking for a document in the second official language?

My question to the minister relates to the announcement of the dismissal yesterday of Dr. Foster. The Minister of Energy, Mines and Resources took that portfolio at a time when he knew the government and people of Canada had been burned once in a negotiation for a nuclear contract with Argentina, and he undertook to have a renegotiation of that contract. I should like to ask the minister whether, when he was told of the terms of the renegotiated contract, he, personally, reviewed the terms of that renegotiated contract in detail and depth?

**Hon. Alastair Gillespie (Minister of Energy, Mines and Resources):** Mr. Speaker, if the hon. member has looked at the summary of the contract prepared by the Auditor General and tabled before the Public Accounts Committee on April 19, the contract between AECL and CNEA, the Argentinian agency, he would know that there are a large number of clauses. It runs to many, many pages. Those particular clauses were negotiated, to the extent that there were numbers involved, on the aspect of the inflationary impact. They covered both the Canadian services, namely, goods, services and heavy water, and some Argentinian services. That contract was considered by the board of directors of AECL following its renegotiation, and accepted by them. On that basis the government accepted the renegotiation.

**Mr. Clark:** A supplementary question, Mr. Speaker. Every day we hear different varieties and versions of the meaning of ministerial responsibility. The minister is now telling us that ministerial responsibility applies only to short, simple contracts, not to complex ones. I want to know if the minister himself, as the minister responsible who knew a costly mistake had been made in the first contract, took his own responsibilities seriously enough to examine personally all the terms, long though they were, of this new contract before allowing it to be proceeded with?

**Mr. Gillespie:** Mr. Speaker, if the hon. member were to understand the relationship between Crown corporations and the responsibilities of ministers—

**Mr. Hnatyshyn:** We are learning fast.

**Mr. Gillespie:**—he would not put that kind of question. He would recognize that Crown corporations had been set up by

[Mr. Speaker.]

parliament to deal, independent from ministerial or governmental interference, in matters of that kind.

CONTRACT WITH ARGENTINA—REASON FOR INCREASE IN LOSS ON RENEGOTIATED CONTRACT

**Mr. Joe Clark (Leader of the Opposition):** Mr. Speaker, twice today the minister has refused to tell us if he exercised his clear ministerial responsibility, he having been given the warning that there had been serious mistakes made in the undertaking of the first contract. The minister has refused to tell us whether he, as the minister responsible through whom that corporation reports, did what he should have done as minister. I ask the minister how he could have been so certain on February 22, as the minister is reported to have said in *Hansard* in answer to my colleague from Kingston and the Islands, that the top limit of the loss in the renegotiated contract would be \$40 million, when yesterday he admitted it was going to be in excess of \$130 million? What changed between February and July? What was the minister doing personally to keep track of what had changed, and why we are faced with this serious loss, as he finally admitted yesterday?

**Hon. Alastair Gillespie (Minister of Energy, Mines and Resources):** Mr. Speaker, I believe I discharged my responsibilities when I invited Mr. Ross Campbell to join the board, act as chairman of AECL and renegotiate that contract. When I heard it would be likely there would be losses—and this is all on the record if the hon. lady would care to read it—I believe I discharged my responsibility in bringing to AECL one of Canada's best negotiators. I believe that Mr. Ross Campbell, with his team, were very effective in reducing the exposure of the corporation to the kind of losses it otherwise would have sustained. I believe they were able to effect reductions of something like \$70 million or \$80 million.

I believe also I discharged my responsibility when I changed the board of directors and appointed a new board to examine the whole question of financial control. Quite clearly, this has been one of the great weaknesses of the corporation. It was made clear by the Auditor General. A large number of changes have been made in the corporation since the Auditor General made his report public. Indeed, some changes were made prior to that by myself as a result of the changes in the board and bringing in consultants to deal with it.

Information that I gave the House that I believed the exposure would be a top limit of \$40 million was based on information that was given to me. It was the best information that the corporation then had. As a result of the teams we put in to deal with this question of financial management and control, the losses exposed to us were very much greater. That is why I acted with despatch and tabled the annual report yesterday, rather than wait for a couple more weeks, and made a statement just as soon as I could with a complete disclosure of the facts as I knew them.

**Mr. Clark:** Mr. Speaker, first we are told that ministerial responsibility applies only to short contracts. Now, we are told that ministerial responsibility extends only to bringing in Ross