

of the fact that there is a memorandum of understanding between AECL and the Eisenberg-UDI group, signed by Mr. Campbell and approved by the minister, which clearly states that such a commitment exists, will the minister tell the House whether he approves the statement of Mr. Campbell which, in effect, is notice that AECL intends to break a written contract?

**Hon. Alastair Gillespie (Minister of Energy, Mines and Resources):** Mr. Speaker, obviously the chairman was expressing a personal opinion and perhaps providing a legal opinion in respect to the matter about which the hon. member has asked a question.

**Mr. Huntington:** Mr. Speaker, will the minister tell the House whether the chairman's statement still stands? If it does not, will he tell the House that he takes full responsibility for implementing the terms of the March 4, 1976, agreement which the minister authorized and the Standing Committee on Public Accounts condemned because it will raise the cost of getting Mr. Eisenberg's group off backs of Canadian taxpayers beyond the \$20 million originally negotiated by Mr. Gray?

**Mr. Gillespie:** Mr. Speaker, I can assure the hon. member that the recommendations of the committee, which have been incorporated in a document placed before the House recently, are being considered very seriously. I welcome the report. I think the hon. member should also welcome the fact that we have been able to move very substantially on almost all the recommendations of that report.

#### RECOVERY OF MONEYS PAID UNDER EISENBERG CONTRACT

**Mr. Bill Clarke (Vancouver Quadra):** Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. I should like to refer to an answer he gave yesterday in response to a question posed by the hon. member for Egmont. Perhaps inadvertence or ignorance may have caused him to mislead the House on the \$2 million advance payment to Mr. Eisenberg. In his answer, the minister said:

—no payment has been made on the post-services contract. I do not know how many times I will have to repeat that for his benefit. If he likes, I will repeat it once more: the post-services contract could be as much as \$5 million. No payment was made; the invoice was rejected.

● (1452)

It is clear from the Auditor General's report that the agreement provides for an advance payment of \$2 million, which was paid to Mr. Eisenberg in April of 1976. Would the minister agree now that \$2 million has been paid, and if no services are to be provided—as Mr. Campbell, the chairman, stated recently—what steps will the government take to recover the \$2 million already paid?

**Hon. Alastair Gillespie (Minister of Energy, Mines and Resources):** Mr. Speaker, it is quite clear from the documentation which I placed before the committee on December 14, 1976, I think, that part of one payment—that is to say, of \$15.3 million—or some \$2 million of that payment was an

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advance on post-contract services. There is no question about that; it is on the record. But the hon. member should reflect that the kinds of questions that have been put forward—and, indeed, this was one of the recommendations of the Standing Committee on Public Accounts—invited the interpretation that payments had been made subsequent to that one payment. I think that a careful reading of the recommendations of the public accounts committee could bring about that interpretation, because there is a suggestion that further payments should be suspended.

It was also made quite clear yesterday in the question of the hon. member for Egmont that he acknowledged that the first invoice had been rejected. He then went on to refer to further payments of \$2 million. I am reading from page 3340 of *Hansard*. I was trying to make clear to the House, as I have in the past, that no payments were made to the agent subsequent to that one payment which was made early in 1976, some time before the public accounts committee was even seized of the question and before the committee started to hold its hearings.

**Mr. Clarke:** Mr. Speaker, I am glad we have that clarified. I agree with the minister that no quarterly payments have been made. On Tuesday, the minister had not had a chance to consider the report of the public accounts committee. I would like to ask him now whether he has had a chance to see the report tabled on Monday, and does he disagree with the unanimous opinion of the committee that the chairman failed to negotiate a better deal with Eisenberg?

**Mr. Gillespie:** That is a matter of opinion. I would draw to the attention of the hon. member that the renegotiated agreement made by the chairman has saved, until now, Canadian taxpayers something in the order of \$3 million. That seems to me to be the kind of comparison that should be made when weighing the advantages of the first contract, which was a legal contract, and those of the second one. The hon. member holds the view that it was not to the advantage of Canadians. I think most Canadians would believe that a \$3 million saving is an advantage.

#### ELDORADO URANIUM DUMP AND REFINERY—GOVERNMENT INTENTIONS

**Mr. Allan Lawrence (Northumberland-Durham):** Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources of which I gave him notice yesterday morning. On Tuesday morning, an environmental assessment panel under the jurisdiction of the Minister of State for the Environment published a recommendation that the Eldorado uranium dump and refinery proposal for Port Granby not be proceeded with. Even though that panel reports to the Minister of the Environment—this is the first time such a panel has come out with a negative recommendation respecting an important matter such as this—the licensing agency is under the jurisdiction of the Minister of Energy, Mines and Resources. As a matter of fact, the Crown agency of Eldorado Nuclear falls under his jurisdiction.