

Government said, "He is, of course, also responsible for directing the economy."

By way of clarification, am I to understand that on this second day of the Thirty-first Parliament it is the policy of this government to have the economy of the country directed by Senator de Cotret so that questions concerning the direction of the economy are to be asked in this house, and not in the House of Commons; and that in the House of Commons, when a question is asked the Honourable Mr. Crosbie can say, "That is up to Senator de Cotret because he is directing the economy," and Senator de Cotret can say the question should be asked of the Minister of Finance?

**Senator Flynn:** Any question you have for any minister not in this house can be directed to me or possibly to another minister and it will be transmitted to that minister for reply, unless you have given us notice in advance and we have already obtained the reply. That is precise.

As far as the responsibilities of Senator de Cotret are concerned, he is, so far as departments are concerned, responsible only for the Department of Industry, Trade and Commerce. It may be that in his other capacity he will have occasion to reply to some general questions. But when there are specific questions, for instance, pertaining to the Department of Agriculture, he will not, in that capacity, reply for the Minister of Agriculture.

If Senator de Cotret wants to explain his general responsibilities so far as economic development is concerned, I invite him to do so.

**Senator Frith:** May I ask whether it is true that the Leader of the Government in the Senate said, when responding for the government in answer to the question, that Senator de Cotret is responsible for directing the economy? Is that right or not?

**Senator Flynn:** One is responsible for one's department. Senator de Cotret's department is Industry, Trade and Commerce. I shall give him the occasion to reply with regard to his other responsibilities but, technically speaking, a question of policy will have to be assessed in every case. But it may be a question concerning agriculture and a matter concerning the economy, and Senator de Cotret will take that question to the Minister of Agriculture and report the reply.

**Senator Olson:** What about economic policy?

**Senator Frith:** In this government is Senator de Cotret responsible for directing the economy, or not?

**Senator Flynn:** The cabinet is, generally.

**Senator Perrault:** On a matter of clarification, the Canadian people have been given to understand that in this re-think of cabinet structures and the whole format of government efforts have been made to co-ordinate the activities of various government departments.

I understand, for example, that Senator de Cotret chairs an economic committee of cabinet which involves representation from finance and representation from other allied economic portfolios. I find it very difficult to understand that here we have a minister who has come to the Senate, and states that he

[Senator Frith.]

has no knowledge of the most fundamental economic policies affecting Canada.

**Senator Asselin:** He did not say that.

● (1540)

**Senator Perrault:** I can recall that during my own experience in cabinet there was shared information with respect to economic policy, interest rates, and so forth. Are we to be told that that information now can be obtained only by sending messages from here to cabinet ministers' offices, that this information must be verified there and transcribed, with a laundered edition sent to the Senate for its perusal? If that is the case, it is not good enough.

## INTERNATIONAL TRADE

### LOSS OF SALE OF CANDU REACTOR TO ARGENTINA

**Senator Haidasz:** Honourable senators, in view of the strange and embarrassing spectacle of Canadian officials attacking each other as scapegoats for the recent failure of the federal government to sell a Candu reactor to Argentina, would the Minister of Industry, Trade and Commerce inform this chamber whether any corrective steps have been taken by the government to prevent a repetition of such bungling that produces more unemployment and a greater trade deficit?

**Senator de Cotret:** Certainly. I am happy to talk about the situation with respect to the sale of the Candu reactor to Argentina. As you are well aware, this involved complex negotiation. I do not think that one can use a simple approach to any one of the very difficult issues involved in the transaction.

There were certainly a number of considerations on the part of the Government of Argentina to the extent that we are aware of the full consideration given the matter before they reached their final decision. Certainly the fact that we had, in years past, a rather poor performance on the sale of the first reactor to Argentina weighed quite heavily in their decision. As you know, the reactor sold several years ago involved several delays in bringing it on line, and also significant cost overruns. That is certainly something that must have been considered in arriving at their final decision.

We also know that the Government of Argentina was concerned about "sole-sourcing" for nuclear energy. They were concerned about the possibility of having all of the nuclear energy technology provided by a single country and were interested in having a diversity of sources. That, by the way, is probably one of the reasons that, in announcing their decision on this particular reactor, they took steps to underline the fact that their decision applied to this next step of their program but not to the program as a whole.

Certainly the changes in the past with respect to the safeguards were involved in their decision. As you will recall, the prior government changed the safeguards requirements twice. We insisted time and time again that we would require full scope safeguards with the Argentineans. I am sure you will agree that that was, essentially, the position of the prior