

Summer Recess

Mr. McGrath: He was getting that heat, Sir, in his capacity as the Minister for Consumer and Corporate Affairs, a minister who has the statutory responsibility of protecting the consumers of this country. I will get back to that in a moment with reference to the remarks of the Minister of State for Mines who just took her seat.

However, there was another event which took place last week with respect to the cartel affair. That was an information laid with the court in the city of Toronto on July 7, two days, Sir, before we were due to leave this place for a long summer recess. I suspect the timing was designed to coincide with the adjournment of Parliament, so that Parliament would not be around to ask the embarrassing questions we have been asking for the last several days. However, Parliament is still here and there are very important questions we must ask.

These charges, Mr. Speaker, are serious in that they are charges of a conspiracy to commit an illegal act. That illegal act was to prevent competition in the production, manufacture, purchase, sale or supply in Canada of articles, to wit, uranium, etc., and thereby commit an indictable offence contrary to section 32(1)(c) of the Combines Investigation Act. The information also names a group of companies as unindicted co-conspirators, including two public servants of this country, namely, Gordon M. MacNabb and John C. Runnalls.

Now, Sir, let us go back very briefly, and I do not want to repeat some of the excellent material laid before the House by my colleague, the hon. member for Wellington-Dufferin-Simcoe (Mr. Beatty). However, what we are dealing with here—and this is why I wanted to go back and review it very briefly—is a concept the government seems to forget. That concept, under our rule of law, is that no person or group of persons is above the law.

Some hon. Members: Hear, hear!

Mr. McGrath: Not even the Government of Canada, not even the Crown, is above the law, Mr. Speaker. That is the principle we are dealing with here.

There has been a charge laid of conspiracy to commit an illegal act, namely, to breach the combines act. Well, sir, let us go back. On July 8, 1981, as reported at page 11326 of *Hansard*, the Prime Minister (Mr. Trudeau) was asked when he became aware of the activities of the uranium cartel affecting prices in Canada. The Prime Minister's reply was this:

It was several years, I think three years after the international agreement had been made, that this international cartel began to have some possible effects within our country. Once again, I am repeating information I received at the time—

He then went on to say:

Until then, there had been no demand for uranium in Canada. It was only around the mid seventies that this demand arose.

That is the Prime Minister on record.

We know from what the hon. member for Wellington-Dufferin-Simcoe said today that the information was in fact out. It is passing strange, Mr. Speaker, that the Prime Minister would

not be aware of it because, according to the *Congressional Record* of the summer of 1977, and from the minutes of one of the meetings of the cartel which were released under the U.S. Freedom of Information Act, a meeting of the cartel was convened by the deputy minister of energy, mines and resources, one Jack Austin, in the departmental headquarters in the city of Ottawa. All the people at that meeting, with the exception of the one who convened the meeting, Mr. Austin, the then president of Uranium Canada, have been named in the charges as co-conspirators or unindicted co-conspirators.

Reference was made to the minutes of that meeting yesterday and today in the House, and I would quote Mr. Austin from those minutes:

● (1720)

He further stressed that the Cabinet is in favour of the arrangement and believes it to be in the best interest of Canada for the five-year period under discussion. He further stated that the Canadian government wanted to leave it to each producer to determine the legality of the arrangement.

It continues:

At this point, Gulf inquired concerning the opinion that was to be obtained from the Minister of Justice as to the legality of the arrangement under the Canadian Combines Act. Mr. Austin replied by stating that an opinion had been obtained by the director of the combines investigation branch that the arrangement is legal as it is presently understood by the director but that it could later become illegal if orders have to be declined by Canadian producers as a result of the arrangement.

This was taking place at a time when the then minister of energy, mines and resources was stating on the public record in St. John's, Newfoundland, that no cartel existed. It must be said, notwithstanding the lack of knowledge of the Prime Minister or the fact that he did not know what was going on between 1972 and 1975, that it was not until the United States Congress began to take an interest in the matter in 1976 that the "gag" law was passed under the Atomic Energy Control Act by the Cabinet of Canada by order in council. It was entitled "The Uranium Information Security Regulation". It was not until that Congressional committee got around to an in-depth examination in 1977, by producing information and secret memoranda under its freedom of information act, that the then minister of consumer and corporate affairs decided that there would have to be an investigation under the Combines Investigation Act, because obviously there was a combine operating internationally and there was enough evidence to indicate that it was affecting prices in Canada.

No one will quarrel with the hon. intentions of the government in establishing this marketing cartel. I have no quarrel with what the hon. Minister of States for Mines (Mrs. Erola) had to say. The uranium industry had to be protected. It was the government's responsibility to protect Canada's uranium mining industry. I have no quarrel with that; the motives are honourable. But I find dishonourable what the government did when it discovered to its chagrin that the cartel operating legally in the international market was having an impact on prices in Canada and was in fact fixing prices in Canada. What did it do? What did the government do when it found out that they were breaching the laws of Canada? The government attempted to cover it up, that is what it did. That is what