

Oral Questions

The Prime Minister said this as if referring to the stealing of some towels. Bearing in mind the revelations of the past week—and if anyone stole \$290 million worth of towels from this government, if it operated a hotel, and I hope it does not, the manager would deserve to be fired—my question to the Prime Minister is this: Is the minister of Energy, Mines and Resources responsible for AECL? If he is not, who is responsible for the agency, from the point of view of the Prime Minister?

An hon. Member: Put him in charge of towels.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer to the first part of the question is, yes, he is the minister through whom AECL reports to the House of Commons. As for the matter of responsibility in the case of Crown corporations, the opposition themselves have put themselves on record several times as saying they did not want ministers running Crown corporations. Everytime we attempt to do it, there is objection to it.

● (1410)

Mr. Baker (Grenville-Carleton): The Prime Minister knows that is not so, Mr. Speaker. The Prime Minister should apprise himself of Section 70(1) of the Financial Administration Act which specifically states that the minister is responsible for authorizing the operating budget with respect to this particular Crown corporation and other Crown corporations. Does the Prime Minister agree that this puts an onus upon the Minister of Energy, Mines and Resources for the operating budget and as well puts a responsibility on him for the operating deficit, about which he was warned, which amounted to a total loss in operating expenses over revenue in 1977 in excess of \$290 million? Is this not a responsibility of the Minister of Energy, Mines and Resources and is there any good reason why the Prime Minister should tolerate such an incompetent in his cabinet?

Mr. Trudeau: Mr. Speaker, I have dealt with this several times, that is, the problem of interference with Crown corporations by ministers of the government. The rules are quite well established that the minister should not involve himself in the day-to-day operations of the Crown corporation. I have indicated before, and I believe the President of the Treasury Board has also, that we are going to bring in some Crown corporation legislation. Hopefully it will give the government power to intervene in the operation of Crown corporations. I look forward to having the support of the opposition on this. Of course, they will have to flip-flop because they have always said we should not interfere.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Baker (Grenville-Carleton): If there are going to be any flip-flops, we have a great example to follow from this government. We are not talking about the day-to-day operations of the Crown corporation and the Prime Minister knows that.

[Mr. Baker (Grenville-Carleton).]

What we are talking about is the question of accountability to parliament, and the people, of these Crown corporations. That is the issue. Does the government intend, at least as a first step, to require that all future annual reports of all Crown corporations be referred automatically to the appropriate standing committee rather than have to wait the convenience of the government with respect to this matter? We can see what lack of control has led to in terms of AECL.

Mr. Trudeau: Mr. Speaker, with regard to the first part of the hon. member's question, he must realize that an overwhelming portion of this loss was in one contract with Argentina. Surely even the House leader of the opposition would not argue that it could have been the minister's role to negotiate this contract when a Crown corporation was the agency.

MINISTERIAL RESPONSIBILITY FOR HIRING AND FIRING
EXECUTIVE OFFICERS—ROLE OF DR. FOSTER IN FUTURE

Mr. Gordon Towers (Red Deer): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. In view of the minister's statement concerning Atomic Energy of Canada Limited last Thursday that "the board of directors recommended to me that Dr. Foster be asked to step down as president and chief executive officer and I have already acted on that proposal" and "a committee of the board is now engaged in a search for a new president and chief executive officer with the business training and experience needed to manage AECL", will the minister tell the House exactly what his ministerial responsibility is in the firing and hiring of presidents and chief executive officers of AECL? In other words, who is giving the orders?

Hon. Alastair Gillespie (Minister of Energy, Mines and Resources): Mr. Speaker, I made it very clear that I accepted my responsibility to appoint and to remove the senior officers, that is to say the chairman and the president, the chief executive officer.

Mr. Towers: The minister also said "I am hopeful that the company will continue to benefit from his pre-eminent technical knowledge and experience in the nuclear field." Can the minister state now what position Dr. Foster will hold in AECL and will the minister be making that decision?

Mr. Gillespie: Mr. Speaker, I cannot give the hon. member a precise answer as to what particular role Dr. Foster will have in the future with respect to AECL. I hope, and I have discussed this with him, that it will be possible to work out some kind of technical consulting assignment so that the corporation will have the benefit of his pre-eminent knowledge in this field.

Mr. Towers: Will a position be created for Dr. Foster or is one already in existence?

Mr. Gillespie: With respect to the assignment as a consultant, there is the matter of defining the precise nature of that