

• (1420)

Mr. Speaker: Order, please. Perhaps we might attempt to ask questions this afternoon rather than make statements. We will probably make better progress that way.

Mr. Saltsman: Thank you, Mr. Speaker. Will the Acting Prime Minister see that the activities of these two departments are co-ordinated and that the production losses are anticipated in order to make sure that unemployment does not result in Canada?

Hon. C. M. Drury (Acting Prime Minister): Mr. Speaker, the assumption behind the question, namely, that the activities of the two departments are not co-ordinated, is quite unsubstantiated.

AUTOMOBILES—POSSIBLE TARIFF AMENDMENT
BECAUSE OF CHANGES IN U.S. APPROACH TO AUTO
PACT

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the President of the Treasury Board as Acting Prime Minister. When the automotive trade pact was signed some years ago there was a great deal of concern over the loss of millions of dollars in tariffs. The explanation given was that this would be compensated for by the number of new jobs. If, as it would appear, many main and supporting plants could be closed down as a result of changes in the United States approach, does the government have in mind any change in the tariff structure to compensate for the loss of employment opportunities for Canadians?

Hon. C. M. Drury (Acting Prime Minister): Mr. Speaker, I think the hon. gentleman will be aware that as a consequence of this particular arrangement there have been and will continue to be created many new jobs in Canada in the automotive field.

Mr. Speaker: Is the hon. member for Spadina rising on a supplementary?

Mr. Ryan: No, Mr. Speaker. It is another question.

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REGIONAL ECONOMIC EXPANSION

INCENTIVE GRANTS—ALLEGED MISUSE BY CERTAIN
COMPANIES—REQUEST FOR STATEMENT—POSSIBILITY
OF LEGAL ACTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. In view of the fact that according to the findings of Dr. D. Springate, who appeared before the Standing Committee on Regional Development yesterday, 11 of 18 companies that received DREE grants totalling \$34 million reaped windfall profits from these grants, would the minister undertake to make a statement to the House by the end of this week explaining how this was possible in terms of the act and what action he, as the responsible minister, intends to take to avoid a repetition?

Inquiries of the Ministry

[Translation]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I shall be appearing before the committee this afternoon where I can give more details. The basis of Dr. Springate's thesis is extremely narrow. No one with a slightly scientific mind can draw sure conclusions from it. Yesterday, Dr. Springate himself stated in answer to a question put to him before the committee that he was dissatisfied with his own conclusions, and I agree with him.

[English]

Mr. Broadbent: Mr. Speaker, I asked the minister to deal with the specific instances cited by Dr. Springate. In view of the meeting this afternoon I should like to go on to a second related question. Inasmuch as Dr. Springate's study clearly indicates what I would regard as corporate cheating on the part of certain corporations, would the minister indicate whether any companies receiving DREE grants have been prosecuted, whether any legal action of any sort has been taken against any companies up to the present time and, whether or not something of this nature has taken place in the past, if any legal action is being contemplated?

[Translation]

Mr. Marchand (Langelier): Mr. Speaker, Dr. Springate has never claimed that his study was an objective analysis of the financial situation of those companies and of the reasons for their applications. He has merely held personal interviews and drawn his conclusions therefrom. I fail to see how legal action can be taken as a result of interviews with people whose names and circumstances the interviewer himself refuses to reveal.

[English]

Mr. Broadbent: Mr. Speaker, it is unfortunate that the minister should attempt to smear a serious study in this way.

Mr. Speaker: Order, please. I really do not think we should embark on a debate on this matter which obviously is of interest to many hon. members. We should try to limit contributions at this stage to straightforward questions and perhaps straightforward answers.

Mr. Broadbent: I will try for a straightforward answer to this question, Mr. Speaker. In view of the fact Dr. Springate asserted in his study that officials in the minister's department are working in clear contravention of the stated purposes of the Regional Development Incentives Act and provides documentary evidence of this in his written thesis, would the minister inform the House whether he has personally authorized such departures from the stated purposes of the act?

[Translation]

Mr. Marchand (Langelier): Mr. Speaker, there are dozens of officials in my department highly specialized in the same field as Dr. Springate. They carried out case studies and were in possession of complete data, which was not the case for Dr. Springate, and their findings were not the same as his.