

made to the contractor. There is nothing wrong with that as a principle. The thing that one must make sure of, however, is that the interest on the money is allocated to the price of the ship, and this was done. An amount of \$2,880,000 odd was credited to the cost of the ship. This is quite all right, in my view.

There might be a debate about whether one could have found a better interest rate elsewhere. I do not know, and I have not looked at the matter in sufficient depth to judge that. The principle of advance payments is a normal practice in these instances. The \$163,000, which is one half of one per cent for the management fee, was given to Saint John Shipbuilding. In this particular instance there might be a debate about whether it should not have remained to the credit of CN Marine instead of moving to the shipbuilders, but again, this money has been accounted for.

In a word, Madam Speaker, I wish procedures had been followed in a tighter way in this matter, but up to now I do not see any scandal in what was done.

ACCOUNTABILITY FOR EXPENDITURE

Mr. Tom McMillan (Hillsborough): Madam Speaker, I have a supplementary question for the Minister of Transport. The Minister is parroting the very explanation given by CN Marine which the Auditor General has described as totally unsatisfactory.

The Auditor General has made it clear that CN Marine and the parent company, Canadian National, have totally stonewalled the Canadian Government's efforts to initiate an operational audit of CN Marine to ensure that taxpayers' money is being wisely spent. When will the Minister call the corporate elite, at least the presidents of CN and CN Marine, on the carpet in his office and order them to exercise some minimum degree of accountability in the expenditure of millions of dollars every year of taxpayers' money?

● (1425)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, as usual things are not as simple as they are made to look, particularly in a question of this kind. CN Marine has not been as open to auditing by the Government or by the Auditor General as the Opposition Member who is asking the question would have liked. The case that CN Marine makes is that, as a subsidiary of CN, it should be using exclusively the auditing firm of CN itself. There is a justification in what it is saying. To ensure that nobody will have the feeling that the Government or I am trying to hide anything in this matter, since yesterday, I asked CN yesterday to accept the idea of a comprehensive auditing of CN Marine, and CN has accepted it.

Oral Questions

FOREIGN INVESTMENT REVIEW AGENCY

REQUEST THAT POWERS BE STRENGTHENED

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is directed to the Prime Minister. Everyone knows that the Government has been going all over the world undermining FIRA, promising foreign countries that legislation will be introduced or that legislative changes will be made which will weaken FIRA. The code word for this process has been, of course, to make FIRA more efficient. The Minister of Finance repeated that euphemism earlier this week.

Considering that foreign-owned firms import four times as much into Canada as do Canadian companies—that is to say they export thousands of Canadian jobs—will the Prime Minister assure the House that he will implement what was promised in the last Throne Speech, namely, a commitment to strengthen FIRA to provide more Canadian jobs, instead of the reverse?

Right Hon. P. E. Trudeau (Prime Minister): Madam Speaker, I would disagree with the Hon. Leader of the New Democratic Party in that he is implying that we are trying to weaken FIRA. The position of the Government is not to weaken FIRA; it is to make it more efficient. I stand by the words spoken by the Minister of Finance and various other Ministers on that subject. We are effectively trying to make sure that the screening process will ensure the objective of FIRA that any foreign investment will be for the benefit of Canadians but that indeed the screening process be conducted efficiently. That is the state of our policy now. It is not correct, as the Leader of the New Democratic Party said, to say that Members of the Government are going around the world saying that they will weaken FIRA or make it disappear.

Mr. Broadbent: Once again, deliberately or not deliberately, the Prime Minister is misstating reality.

BUDGET PROPOSAL

Hon. Edward Broadbent (Oshawa): Madam Speaker, will the Prime Minister not acknowledge that in the last budget introduced in the House there was a specific provision designed to weaken FIRA, to make it possible in terms of regulation change for foreign companies to buy up, without going through any review process, all kinds of additional companies at fire sale prices in Canada, and that if the regulations remained unchanged they would not be able to do so? Will the Prime Minister deny that? If he will not deny it, will he give assurances in the House that the proposal made in the last budget will be withdrawn?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Madam Speaker, I will deny that. The proposal made in the last budget is intended to make the administration of FIRA more efficient. It is not intended to weaken FIRA by changing the threshold. Permitting an accelerated review does not mean that there will not be a FIRA process. It means that the FIRA process will be more expedient and more efficient.