

United Aircraft

Mr. Gilbert: You are reading your speech.

Mr. MacFarlane: That is right.

In the absence of the government's participation it is very likely that UACL would still be a minor supplier of replacement parts of obsolete piston engines and an employer of a few hundred relatively unskilled workers. At the present time UACL employs several hundred highly qualified graduate engineers, and provides outstanding opportunities for the talent of Canadians in the development of advanced technology engineering products. It is one of the few major establishments in the province of Quebec which employs engineers in such substantial numbers on this type of high technology endeavour.

I think this establishes the character of the company, also its shortcomings in the transfer of the work, but its reasons for doing that.

Further, it ought to be said that United Aircraft contributed more than \$94 million to the Canadian economy in 1974. The company's expenditures averaged \$1.8 million a week for wages and salaries of Canadian employees, employees' benefits, federal, provincial and municipal taxes, and purchases from suppliers and sub-contractors throughout the country. Wages and salaries laid by UACL to its Canadian employees last year amounted to \$49.4 million. At the end of 1974, 4,855 people were working with UACL in Canada. Purchases of goods and services from Canadian businesses and industry rose to the amount of \$37.8 million in 1974. In addition, UACL spent \$3.8 million in capital investment in that year, and is planning to commit more than \$7 million to increase its production.

The Acting Speaker (Mrs. Morin): Order, please. I would remind the hon. member that the motion deals with correspondence between United Aircraft and the government.

Mr. MacFarlane: That is why I summarized initially, Madam Speaker. I said I would establish the character because it seemed that somehow the aircraft company was involved in this. If you wanted the papers, I think I said in my first statement that it is writing, written words, that are required. I was referring to what was in that writing, as released by the minister. That seems rather reasonable.

Some hon. Members: Hear, hear!

An hon. Member: Sit down!

Mr. MacFarlane: Having moved away from the character of the company I think I would like to move into the area of exactly what the minister said when tabling the document.

An hon. Member: Oh, no!

Mr. MacFarlane: On January 27, 1974, he said the government's contribution of some \$73 million to the company was a good investment. He made that statement after copies of all development agreements between the Crown and United Aircraft had been tabled in the House of Commons. All agreements were tabled, with the exception of three amendments to them. These were excluded on legal advice because they contained classified engineering

[Mr. MacFarlane.]

and cost information which violates industrial security if made public to the company's competitors.

The minister is being quite clear. He is emphasizing that the joint venture between the government and company, starting in 1960, has resulted in the development in Canada of a high grade technical capability to produce small gas turbines for world markets. Coming directly to the point, I think the relevant part is Appendix E, to the notices of motions regulations, although there are many other areas we could touch. It says in paragraph 5:

Papers containing information, the release of which could allow or result in direct personal financial gain or loss by a person or group of persons.

If indeed the minister, with the legal advice he had, and in his wisdom really was convinced that the release of this information could jeopardize the company's future financially, or indeed could jeopardize the workers who work there and cause a further transfer of business, then indeed he was acting in absolute good faith and was following the regulations in not tabling the documents.

Copies of all agreements covering development assistance by the federal government to United Aircraft of Canada Limited were tabled, as I mentioned, on January 27. Correspondence between the Government of Canada and United Aircraft of Canada Limited over the past year continues to be of a confidential nature and, if released, would disclose information which is private to the company and would be detrimental to Canadian production and exports.

The main reasons for continued confidentiality are that United Aircraft has provided complete access on a privileged basis to its financial records, to its market analyses, and to its long term plans for product and market development. Disclosure of this data to international competitors could destroy its competitive advantage in the small aircraft engine field, and would be inimical to the Canadian interest.

Similarly, United Aircraft's dealings with its sub-contractors and suppliers in Canada and abroad could be adversely affected by disclosure. Moreover, the department must retain its neutral stance between Canadian companies having dealings with United Aircraft, many of which are privately owned, and would not wish their commercial affairs to be indirectly disclosed.

Finally, releasing the data could inhibit the flow of future information between the company and the government to the detriment of our objectives for industrial and trade development of this high technology product sector.

I really think the reference to paragraph 5 fits pretty good. It speaks of papers containing information "the release of which could allow or result in direct personal financial gain or loss by a person or group of persons." The minister is clearly on firm ground in this matter.

One of the hon. members on the other side has said he does not like my using notes although, after all, I think it is important sometimes for the record to say the words as written down. So I would like to use an analogy. The analogy is very simple. If you have ever been involved in the school system, you know that for a long time they used to write records on record cards, and these cards would go to the principal's office. As a result some teacher would