

Privilege—Mr. Stevens

Madam Speaker: I will recognize the hon. member on a point of order if it is on government business. I have notice of a question of privilege in the name of the hon. member for York-Peel (Mr. Stevens). Is he prepared to discuss his question of privilege?

Mr. Stevens: Yes, I am, Madam Speaker.

Madam Speaker: I will recognize the hon. member now.

Mr. Stevens: Madam Speaker, I believe my colleague wants to make only a short comment. I would have no objection if you heard him first, Madam Speaker.

Madam Speaker: I received one notice before the other and I usually take them in the order in which I receive them. But if the hon. member for York-Peel wishes to defer to his colleague, I will hear the hon. member for St. John's West first.

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PRIVILEGE**MR. CROSBIE—NOTICE OF INTENTION TO RAISE QUESTION OF PRIVILEGE**

Hon. John C. Crosbie (St. John's West): All I want to do, Madam Speaker, is to give you notice of a question of privilege today in connection with the Minister of Employment and Immigration (Mr. Axworthy). He is certainly not a member of the clerisy or of the intelligentsia and—

Madam Speaker: Order, please. I have received notice from the hon. member. I have it in writing. It is not necessary for him to give me notice in the House. I will hear him when he is ready to proceed.

Mr. Crosbie: What I want to tell Your Honour is that the minister is not here and I do not want to proceed today in his absence.

MR. STEVENS—MASSEY-FERGUSON REFINANCING—ALLEGED MISLEADING STATEMENT OF MR. GRAY

Hon. Sinclair Stevens (York-Peel): Madam Speaker, my question of privilege arises from an exchange between myself and the Minister of Industry, Trade and Commerce (Mr. Gray) in the House on February 6. On that day I asked the minister the following question:

Madam Speaker, my question is for the Minister of Industry, Trade and Commerce. Has he any statement to make with respect to the present negotiations involving the Massey-Ferguson situation and, if so, could he tell us what form the statement will take? Will he be making a statement on motions, or how will this House first be informed as to what his conclusions are?

The minister replied:

Madam Speaker, I have no statement to make at this time, but the matter is under active review.

I stress the phrase "under active review." I then asked a supplementary question which reads as follows:

To the minister's knowledge, during these negotiations has the Government of the United States or the Government of the United Kingdom been asked for any assistance with respect to Massey-Ferguson similar to what the Canadian government was asked for in the case of Chrysler?

● (1520)

The minister replied:

Madam Speaker, I think that question would be easier to deal with when we are in a position to announce the results of the considerations we are undertaking at this time.

In my opinion, the answer I received on that date was a clear indication that the question as to what assistance might be given to Massey-Ferguson was still a matter under consideration. As the minister stated, it was actively being reviewed.

In short, as a result of matters which transpired subsequent to that exchange in the House and other information which has been drawn to my attention, I think we can show, if a proper reference is made to the Standing Committee on Privileges and Elections, that indeed the minister misled the House on February 6.

At a later point, if I may, I will get into the question whether or not he deliberately misled the House. I am aware of the precedents on that subject. If I am given the privilege of sufficient time, I hope to touch on certain precedents and on certain comments I wish to make concerning whether the minister intentionally or deliberately misled the House as a result of the exchange and the answers he gave on February 6.

Dealing with the specific facts, I would emphasize that the exchange I have just read into the record, according to *Hansard*, finished at exactly twelve noon on Friday, February 6.

We have found that subsequent to that a notice was posted in the Press Gallery calling for a press conference at three o'clock that afternoon, at which time the minister attended and made an announcement concerning what the federal government had agreed to do with respect to Massey-Ferguson. The press statement furnished to those persons attending the press conference at that time indicated there would be a "\$200 million Guarantee for Massey-Ferguson Refinancing Package" and read as follows:

OTTAWA, February 6, 1981—The Honourable Herb Gray, federal Minister of Industry, Trade and Commerce, and the Ontario minister of industry and tourism, Larry Grossman, announced today that the Governments of Canada and Ontario have agreed to guarantee the capital risk of a new equity investment in Massey-Ferguson to limits of \$125 million and \$75 million respectively.

Massey-Ferguson has indicated that these government guarantees will enable them to complete their refinancing package totalling in excess of \$700 million.

In return for making it possible for Massey-Ferguson to complete its refinancing plan, the governments have a number of commitments from the company. These include a commitment that an engineering and R&D base for new North American manufacturing activities will be located in Canada. Company plans call for increased spending for engineering and R&D and include creation within three years of a new base in Canada for advanced future products.

The final drafting of the agreement will be completed over the next two months. The agreement will be conditional upon completion of the legal agreements between the company and its lenders.

In reaching their decision the governments took into account the elements of the refinancing plan the company had already achieved, its willingness to upgrade the Canadian operations and employment, and the over-all benefits to