

Oral Questions

CANADAIR AND DE HAVILLAND

Mr. Don Blenkarn (Mississauga South): Madam Speaker, the Minister will know that this House is being asked to vote \$400 million for Canadair and de Havilland. He will know that his colleague in the Senate has indicated that the \$400 million will not cover the hole and we will have to vote again, perhaps next March, for more millions and millions of dollars.

The Minister has been successful with Nabu, so why does he not turn around and sell Canadair and de Havilland to Canadian entrepreneurs who know how to run things, and not leave it with the Government for another great disaster such as has been pointed out by the Auditor General to the people of Canada?

Hon. Herb Gray (President of Treasury Board): Madam Speaker, Canadair and de Havilland are being run by commercial management, most of whom were there before the Government acquired the controlling shareholding interest. In any event, as my colleague in the Senate said in announcing the transfer of the Crown shares in those companies to the Canada Development Investment Corporation, one of the objectives of that Corporation is to see when there would be an appropriate opportunity for return to the private sector of companies under its management. But this involves considering when there would be an appropriate return on the Crown's investment. It obviously involves looking at the over-all situation of the marketplace, bearing in mind the over-all public policy purposes which were in effect when the Government acquired the share interest in the first place.

These companies are in many ways the cornerstone of the Canadian Aerospace industry. There are some 25,000 direct and indirect jobs involved, and I hope my hon. friend is not suggesting that we would undermine the continued existence of these jobs which are so important to these key sectors of our economy, indeed to the entire economy.

● (1420)

Mr. Blenkarn: Madam Speaker, clearly socialism does not work. Clearly, ownership of the means of production and distribution by the state do not work.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

SUGGESTED ESTABLISHMENT OF PRIVATIZATION COMMITTEE

Mr. Don Blenkarn (Mississauga South): Madam Speaker, I have a supplementary question for the Minister. When can we have a commitment from the Government that it will set up a privatization committee which will, as quickly as possible, get the Government out of these losing businesses so that they can be turned around in much the same way as Nabu turned around Consolidated Computer?

Hon. Herb Gray (President of Treasury Board): Once again, Madam Speaker, I want the House and the public to

note the endorsement of the official spokesman of the Conservative Party for the steps we took to end our involvement in Consolidated Computer and have it involved with the Nabu company.

Some Hon. Members: Oh, oh!

Mr. Beatty: Read your letters.

Mr. Nielsen: It was about time.

Mr. Gray: I should also remind my hon. friends that the reason the Crown acquired majority interests in Canadair and de Havilland was because of the state they had got into when they were under private ownership and, for that matter, foreign ownership. We do not rule out the possibility of a return to private ownership but it depends on when we can get the best return for the Crown and the terms and conditions involving the over-all protection of the public interest with respect to the health of the aerospace industry and the maintenance of the tens of thousands of jobs involved. My hon. friend and his Party may oppose that, but the workers in those companies do not oppose it, and Canadians generally certainly do not oppose it.

Mr. Clark: Put that to the test.

USE OF FUNDS ADVANCED TO CN MARINE INCORPORATED

Mr. Tom McMillan (Hillsborough): Madam Speaker, my question is directed to the Minister of Transport. The Auditor General's Report documents that the Department of Transport gave CN Marine \$25 million as an early downpayment on the construction of the new carferry *M. V. Abegweit* to travel between Prince Edward Island and New Brunswick, as a means of saving the taxpayer money on the total cost of that project.

Instead of advancing the money to the shipbuilder to save the taxpayer money, as CN Marine was instructed to do, CN Marine stashed it in a bank account and reaped a windfall profit of \$4.8 million in interest earned.

The Auditor General has revealed the appalling fact—

Madam Speaker: Is the Hon. Member going to ask a question, ever?

Mr. McMillan: In light of the fact that the Auditor General has revealed that CN Marine paid \$163,000 to the shipbuilder to consent to the shady deal—an outright bribe—is the Minister going to call for a full public inquiry into this appalling practice? What else is the Minister going to do to prevent this from happening in the future?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, I have not really had the time to go into the details of it. I am grateful to the Auditor General for bringing this matter to our attention.

Nevertheless, I have looked into it yesterday and this morning. The facts are that, indeed, advance payments were