

United Aircraft

produce small gas turbine engines for world markets. These engines are recognized internationally as being the most successful in their class for use in aircraft and have additional applications in ground transportation—Canadian turbo trains, marine use, Bell Voyager and Viking hovercraft, and for auxiliary equipment at airports, pumping and compression stations, and other industrial applications. The joint development program related basically to two aircraft engines, the PT-6 and the JT15D.

This program has been very successful. Sales from Canada have exceeded \$500 million, and market forecasts for these engines project sales in excess of \$1.5 billion over the next five years.

To bring matters up to date—and this is important—the company is continuing its capital investment plan in spite of the current general economic slowdown, to expand its manufacturing, assembly, and test facilities in order to increase in-house production capacity. This investment of \$6 million in 1975, compared to \$3.5 million in 1974, includes the doubling of size of the engine assembly area and refurbishing an existing engine test cell to enable expanded production of JT15D engines. Current engine production rates have increased by 50 per cent over the level at the beginning of 1975. The employment at the Longueuil plant has returned to the previous peak 1973 level of 5,300 workers.

Although the union is officially still on strike, the company has agreed to accept the recommendations of the Quebec minister of labour to effect a settlement of the dispute. The majority of the union members have returned to work and there is a willingness on both sides to continue to negotiate in good faith. The government has continually pressed the company for repatriation of work temporarily transferred to the United States. The company has given assurances that all of the work temporarily transferred from Canada will have been repatriated by mid-1976. In fact the company is currently improving upon that agreed target date.

The March 15, 1973, document on the production of papers, which was referred to earlier, made provision for 16 exemptions, at least four of which are important to the matter in question. These were defined on May 1.

The government's main reason in establishing these exemptions was to give the widest possible information not only to the public but also to members of this House, for the proper understanding of the major issues and, at the same time, to provide a reasonable level of confidentiality for the government's operations.

It is very difficult for a parliamentarian to make a judgment on the balance between the expressed will of the government to supply as much information as possible and the obligation to provide sound administration. Sound administration is made possible in many instances through access to information given on a confidential basis. Having regard for the importance of this balance, the government has, to the greatest possible extent, made available information on the case in question.

On January 27, 1974, the Minister of Industry, Trade and Commerce tabled in the House copies of all development agreements between the Crown and United Aircraft, with the exception of three amendments to them. These amend-

[Mr. Philbrook.]

ments were excluded on legal advice because they contain classified engineering and cost information which would violate industrial security if made public to the company's competitors.

Correspondence between the Government of Canada and United Aircraft over the past year continues to be of confidential nature. It concerns critical matters to the company, such as the improvement or addition of product lines essential to the company's future which may, because of the high costs, require joint venture undertakings. If this information were disclosed it would be detrimental to Canadian production and employment in this important sector of the Canadian aviation industry. The circumstances which prompt the government to maintain the continued confidentiality of information in the case of United Aircraft are central to the effectiveness and credibility of the government in the course of its efforts to encourage technical innovation and industrial development capability in Canada.

● (1710)

As members are aware, 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 the international competitors of United Aircraft could destroy its competitive advantage in the small aircraft engine field and would be contrary to the Canadian interest. Similarly, United Aircraft's dealings with its subcontractors and suppliers in Canada and abroad could be adversely affected by disclosure. In addition, the government would not wish to disclose indirectly matters of a confidential nature of Canadian companies having dealings with United Aircraft.

Finally, release of the information could inhibit the future flow of information between government and United Aircraft, as well as with other Canadian companies, to the detriment of our industrial development and trade objectives for this high technology product sector and other sectors of the Canadian economy. I believe, Madam Speaker, that the effective government action taken to date has resolved the concerns expressed in the hon. member's motion.

The Acting Speaker (Mrs. Morin): I see the hon. member for Oshawa-Whitby (Mr. Broadbent) rising. Before recognizing the hon. member I must advise the House that, if the hon. member speaks, he will close the debate.

Mr. Edward Broadbent (Oshawa-Whitby): Madam Speaker, this will not have been the first time when a government supporter began a speech by enunciating laudable principles which are supported by members of both Houses—

Mr. Epp: Surely the hon. member means hon. members on both sides?

Mr. Broadbent: I beg your pardon; I ought to have said, "by members on both sides of the House." The hon. member's speech, which at its beginning ostensibly supported the principle enshrined in the motion, ended on a different note. The members of my party reached the conclusion