

**Right Hon. P. E. Trudeau (Prime Minister):** Mr. Speaker, the hon. member has smuggled into his question an allegation that is false and erroneous.

**Mr. Hees:** It is not false. It was stated in the report of the Auditor General.

**Mr. Paproski:** That is skimming off the top, Pierre.

**Mr. Trudeau:** Mr. Speaker, if the hon. member for Prince Edward-Hastings would listen—

**Mr. Hees:** I have been listening.

**Mr. Trudeau:** If he would listen to his own members he would learn that the hon. member in his question said that "I had admitted". The hon. member for Prince Edward-Hastings said that the Auditor General had said it in his report.

**Mr. Hees:** It has been stated and proven, and you know it.

**Mr. Trudeau:** Mr. Speaker, that is not the point, whether it has been stated by the Auditor General or not. The hon. member opposite says that I have admitted—

**Mr. Clark:** Would you answer the question?

**Mr. Paproski:** Yes, answer the question.

**Mr. Trudeau:** Mr. Speaker, I will answer the question if hon. gentleman opposite will shut up for a minute.

**Mr. Clark:** Would you like us to leave?

**Mr. Trudeau:** Therefore, there was no admission by me or anyone in the government that there were any inflated invoices. The matter arose because the former Auditor General said in a letter to me that there were inflated invoices. This matter was investigated. We have read into the record statements by the auditor Peat, Marwick who, after considering the matter, made the statement that they had audited the books and there were no inflated invoices. Obviously, there was a disagreement between Mr. Henderson and Peat, Marwick. For that purpose among others, the government has taken the position that the Public Accounts committee should look into this matter to try to ascertain the facts. If there is a conflict of opinion between two Auditors General, the House will have to make up its mind. However, it would be helpful if in the meantime members opposite did not smuggle in lies and falsehoods.

● (1500)

**Some hon. Members:** Hear, hear!

**Some hon. Members:** Oh, oh!

**Mr. Baker (Grenville-Carleton):** Mr. Speaker, the Prime Minister ought to consider that statement over the evening. I hope he will do that and I hope he will retract it.

**Some hon. Members:** Hear, hear!

### *Privilege—Mr. McGrath*

**Mr. Baker (Grenville-Carleton):** It has not been my practice to lie to this House. If there is anything that has come out of this series of questions, it is a host of unanswered questions that have been put by members of the opposition.

**Some hon. Members:** Hear, hear!

**Mr. Baker (Grenville-Carleton):** It would be much better, Mr. Speaker—

**Some hon. Members:** Order.

**Mr. Speaker:** Order, please. At the moment the hon. member has the floor for a supplementary question.

**Mr. Baker (Grenville-Carleton):** Rather than that kind of innuendo and stupid statement by the Prime Minister—

**Some hon. Members:** Oh, oh!

**Mr. Baker (Grenville-Carleton):**—I think the Prime Minister ought to answer the question, no matter who said it. Do the guidelines which the Prime Minister said today exist condone the payment or the issuance of inflated invoices by Crown corporations? Is that the case, yes or no?

**Mr. Trudeau:** Mr. Speaker, the evidence we have is that there was no inflated invoice. If it is a hypothetical question about hypothetical inflated invoices, Mr. Speaker; the answer is no. I have said in this House, as other ministers have, that we want the accounting practices to be in accordance with normal practices. That was the whole issue in front of the Auditor General.

**Mr. Baker (Grenville-Carleton):** If that is the case, Mr. Speaker, having regard to the fact that the Prime Minister said that the guidelines existed although they are not in a form to be tabled, will the Prime Minister tomorrow or on Monday put those guidelines in a form to be tabled and table them in this House?

**Some hon. Members:** Hear, hear!

**Mr. Trudeau:** Mr. Speaker, it is the intention of the government to make a statement in the very near future about this whole matter.

**Some hon. Members:** Oh, oh!

**An hon. Member:** Christmas Eve.

**Mr. Trudeau:** I see the opposition is not very interested.

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### PRIVILEGE

MR. McGRATH—MINISTER'S STATEMENT ON SEARCH AND RESCUE POLICY

**Mr. James A. McGrath (St. John's East):** Mr. Speaker, I rise on a question of privilege. Today I directed a question to the Minister of Transport (Mr. Lang) regarding information