

I would like to know from the Prime Minister what right the Government has to provide more funds for the Corporation until such time as a comprehensive audit is completed by the Auditor General.

[Translation]

**Hon. Pierre Bussières (Minister of National Revenue):** Madam Speaker, in 1975, the Government supported Canadair, and when it received the corporation's proposal for the Challenger program, the Government agreed with great enthusiasm, because it knew that Canadians were capable of tackling this job and putting the program on the right track. Today, we have an aircraft that is among the most sophisticated in its field. While this program was being developed, Canadair experienced management problems. Yesterday, the Minister responsible tabled a report analyzing the problems of Canadair. The Government was aware of these problems and knew that a business-like response was necessary. The Government provided that response by establishing the Canada Development Investment Corporation, through which the shareholder, in other words the Government and Canadian taxpayers, is represented at Canadair and the program can be put back on the right track, and we shall then be able to market an aircraft of which all Canadians are proud and that will make its way in the international aeronautics field.

[English]

**Mr. Fennell:** Madam Speaker, that is a total coverup. The Prime Minister will not answer questions regarding Canadair and other Crown Corporations. CDIC has been created to absorb Canadair, and TeleGlobe's profit can be—

**Madam Speaker:** Order, please. All we need are questions, not comments on the answers.

#### JUSTIFICATION FOR ESTABLISHING NEW CORPORATIONS

**Mr. Scott Fennell (Ontario):** Madam Speaker, my question is for the Prime Minister. What justification does the Government have to set up any further Crown corporations when the already existing corporations, as exhibited by Canadair, cannot manage themselves, are not supervised by the Ministry, and are not watched over by the Government of this country?

[Translation]

**Hon. Pierre Bussières (Minister of National Revenue):** Madam Speaker, the Members opposite have been asking repeatedly to have Canadair and other Crown corporations given the opportunity to testify before committees of the House, and to provide answers to questions that have been and are being raised by Parliamentarians and the Canadian public. Yesterday, today and probably next week, there have been and will be committee sittings, at which Members have an opportunity to direct questions to the people responsible for Canadair, to the people responsible for the new Corporation representing the Government and to Canadians employed by Canadair. The Hon. Member seems to think we are hiding something. How can he justify that assumption when, in fact, opportunities are being provided for examining the accounting practices of

#### Oral Questions

Canadair before the Committee on Public Accounts and for examining the policy that will be adopted by the new Corporation vis-à-vis Canadair before the Committee on Finance, Trade and Economic Affairs. We are providing a golden opportunity for Hon. members and the public to ask questions about the actions of the Government and its Corporations.

• (1420)

[English]

#### AUDITING OF CROWN CORPORATIONS—GOVERNMENT POLICY

**Mr. Don Blenkarn (Mississauga South):** Madam Speaker, my question is directed to the Prime Minister. It concerns a matter of policy. The Prime Minister will know that Canadair, according to his favourite, Joel Bell, carried on a liberal accounting policy. It did not quite account for its losses. Indeed, in every year since we have owned this company it showed a profit, despite the fact that it had over \$700 million in losses. Would it now be the policy of the Government to require the Auditor General to audit every Crown corporation so that at least we would have consistent auditing and no fancy tricks, and Members of Parliament, and indeed the Government, would know when they looked at a financial statement that all reports were prepared with the same degree of clarity, honesty, and forthrightness?

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, if the Hon. Member is following the debates in committee, he will see that the decision to transfer the assets of Canadair to CDIC and to bring the matter before Parliament by way of a supplementary estimate was precisely so that Members on all sides, and the public, could be satisfied with the auditing. I do not think the debate is on the quality of the auditing or on its frequency, because the Government is undertaking, through CDIC, to ensure the most complete auditing done by respected auditors. Whether or not they be in the Auditor General's office, in my mind is a secondary matter.

The main matter is what decision the Government should be taking with Canadair and, in a parallel way, with de Havilland. The Government decided back in the middle 1970s that it should not let the aircraft industry go under when de Havilland, on the one hand, and General Dynamics, on the other hand, were letting Canadair and de Havilland in Toronto go under. They were letting them get out of the business. The Government decided at that point that the aeronautics industry was too important for Canada to let it disappear because there were no private takers to keep it going. That is why we kept it going.

There is no doubt that some of the events in the development of the Challenger, in particular, in Canadair have been most unfortunate. The Minister responsible has been saying that in front of the committee. The question for the Government—and I would think for the whole of Parliament—is what do we do for that industry. Do we let it sink? Do we write it off? Do we forget the potential for Canada in the aeronautics industry,