

Mr. Campbell moved that the bill be read the third time and do pass.

Motion agreed to, bill read the third time and passed.

● (1700)

### PRIVATE MEMBERS' MOTIONS FOR PAPERS

[English]

#### REQUEST FOR CORRESPONDENCE BETWEEN GOVERNMENT AND UNITED AIRCRAFT AND CONTRACTS RELATING TO FEDERAL GRANTS

The House resumed from Thursday, May 1, consideration of the motion of Mr. Broadbent:

That an order of the House do issue for copies of all correspondence between United Aircraft and the government over the past year and copies of contracts relating to federal grants accorded to United Aircraft over the past five years.

[Translation]

Mr. Gaston Clermont (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, after consultation with parties represented in the House, it was agreed that the hon. member for Halton (Mr. Philbrook) would speak on motion No. 17 on behalf of the government and that the mover, the hon. member for Oshawa-Whitby (Mr. Broadbent) would also speak on it, and then the Chair could put the question to the House.

[English]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, this is an arrangement to which we have agreed so that following these two speakers, unless the motion carries on a voice vote, there would be a recorded vote.

Mr. F. A. Philbrook (Halton): Mr. Speaker, this debate, as you know, involves a private member's motion for the production of papers, specifically for correspondence between the government and United Aircraft—now Pratt & Whitney of Canada, Ltd.—and contracts relating to federal grants.

The motion was already debated on May 1, 1975. I congratulate those who participated at that time, the hon. member for Nipissing (Mr. Blais), the hon. member for Winnipeg North Centre (Mr. Knowles), the hon. member for Laurier (Mr. Leblanc), and the hon. member for Hamilton Mountain (Mr. McFarlane).

I especially congratulate the mover of the motion, the distinguished member for Oshawa-Whitby (Mr. Broadbent) and new leader of the New Democratic Party. He has again illustrated his concern and that of his party, indeed the concern of all of us, for the very important issues involved. Those issues are federal funding to private corporations, the rights of Canadian workers re settlements and working conditions, and standards for good corporate citizenship. Such issues are certainly important to me, both because my riding of Halton is highly industrialized and because I have personally had the privilege of serving many years in industry at all levels of responsibility.

#### United Aircraft

As a labourer, I certainly became aware of the worker's needs for security and fair treatment. As an executive, I certainly became aware of the corporations' needs for confidentiality to protect their investments and meet the intense challenges of competition in the open market place. At one time we faced the requests of governments for full knowledge of our pharmaceutical formulations as well as most other critical data. It should be obvious, even to someone without background in business or industry, that such private commercial knowledge is the last basis for a company's survival. How well can such strategic material be safeguarded in public service files?

Fortunately the reasonable men involved quickly agreed that this move was both unnecessary and impractical to achieve the goals desired in this free enterprise society. In fact there were good arguments that such searching investigation could be counter productive. I believe my own experience is relevant to the case of United Aircraft. As consumers, we should all be aware of the need for government, business, and labour to conduct their relationships in a spirit of both honesty and mutual trust, in a balance reflecting our mixed economy. Information should be exchanged freely, but only where necessary and fair.

The Minister of Industry, Trade and Commerce (Mr. Gillespie) has made available to the House considerable information and provided a number of documents in an effort to provide the greatest amount of information possible to assist members of the House to understand the circumstances concerning the activities of the United Aircraft Company. It is important to recognize that the effective exercise of the industrial development function of the Department of Industry, Trade and Commerce depends, to a great extent, on the discretion of the department with regard to the use and distribution of highly confidential commercial data received from a broad range of companies, such as United Aircraft, in the many industrial sectors and subsectors in Canada.

The firm in question freely provided information to the department on the understanding it would be maintained as confidential. In these circumstances the publication of such data by the department would be prejudicial to the *raison d'être* and aims of the department to such an extent that the Canadian economy could eventually suffer. In addition, the foreign competitors of United Aircraft would gain access to information which they could use at the expense of that corporation, thus impeding its efforts on international markets. Such a situation would lead to economic hardship for the company and would cause a loss of jobs for Canadians which would be unacceptable, particularly in view of the present economic conditions.

Since 1960 the government has been participating with United Aircraft of Canada Limited in a development program covering small gas turbine engines. The support is in keeping with the government's objectives of maintaining a design and development capability to build light utility transport aircraft in Canada.

The government has advanced some \$73 million to programs jointly shared with United Aircraft. In that 15 year period the company has invested in excess of \$250 million respecting research and development, start up expenses, and new capital expenditures. These funds have been used to develop a high grade technical capability in Canada to