

Oral Questions

and an increase in taxes of about 19.8 per cent for Quebeckers, should separation occur.

As for this particular study, I will leave it up to professional economists to analyse it fully and completely. At this point, I can tell the hon. member that this morning I have discussed with government economists of these various studies, and they have assured me that the economic analyses contained in the Government of Canada studies concerning sovereignty-association and commercial realities are still quite valid, and that some of the working hypotheses in the Hazeldine study are absolutely unrealistic.

* * *

[English]

AIR TRANSPORT**PURCHASE OF NORDAIR BY AIR CANADA—RECOVERY OF TAXPAYERS' INVESTMENT**

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the Minister of Transport: it has to do with the purchase of Nordair by Air Canada and what could be termed as a sweetheart deal for the Nordair shareholders, possibly at the expense of the Canadian taxpayers.

My first question to the minister is: what guarantees do we as taxpayers have that the investment of some \$28.4 million will be recovered when Nordair is supposedly sold to private hands?

● (1442)

Hon. Otto E. Lang (Minister of Transport and Minister of Justice): Mr. Speaker, the key question is whether the price is a fair and reasonable one. When a buyer and seller are negotiating, obviously the seller will seek to obtain the highest price possible, and the buyer will seek to obtain the property at as low a price as possible.

I find it strange to have these questions and the similar ones which were posed by the opposition on Friday, since earlier, as the Nordair transaction unfolded, the accusation from the Conservatives was that there were other private buyers willing to pay the same price. That seems to me to be some evidence of the nature of the price which they saw as being available. It was not necessarily quite true, but it was true enough, given normal Tory approaches to the truth.

Some hon. Members: Oh, oh!

Mr. Lang: Of course, the fact of the matter is that it is our belief, and Air Canada's belief, that this was a fair and reasonable price. Having regard to all the facts, I refer hon. members to the testimony given before the Canadian Transport Commission where this matter was canvassed. I think they will find there a good deal of the answer to their questions.

Mr. Murta: Mr. Speaker, the same supply and demand criteria which the minister just used may be the reason why

[Mr. Lalonde.]

prospective buyers, knowing what the price is already, will not be willing to pay the amount the government has allowed Air Canada to pay for Nordair.

I have a supplementary question for the minister. Out of the total price, there is a figure which we feel should be questioned in some way, and that is the \$1 million which was termed as out-of-pocket expenses and included in the total price of \$28.4 million. Can he explain exactly what the \$1 million out-of-pocket expenses are for this kind of transaction?

Mr. Lang: Mr. Speaker, I am sure in the ordinary course I can provide an answer to that question. Obviously, it is the kind of question which is detailed and more suitable for the order paper. But I will be glad to do it in due course.

* * *

URBAN AFFAIRS**REQUEST FOR REPORT ON CMHC ACCOUNTING PRACTICES**

Mrs. Jean E. Pigott (Ottawa-Carleton): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs.

In light of the fact that approximately 70 per cent of Central Mortgage and Housing Corporation executive staff have either been replaced or have resigned, and in light of the ongoing Royal Canadian Mounted Police investigation which reveals shockingly inadequate accounting procedures and very questionable management decisions, can the minister assure the House that senior management attention is being given to improving the accounting procedures involving over \$1 billion of taxpayers' dollars? Will the minister undertake to direct his department to prepare a full report of the CMHC internal accounting practices and make this report available to the Standing Committee on Public Accounts?

Some hon. Members: Hear, hear!

Hon. André Ouellet (Minister of State for Urban Affairs): Mr. Speaker, the two premises of the hon. member's question are totally wrong. To say that 70 per cent of the top direction of CMHC is gone, is untrue. Second, to say that the RCMP is investigating the over-all operation of CMHC also is untrue.

It is accurate that the RCMP is looking at the file of a specific project named York Place, in Hamilton. The CMHC administration has been willing to co-operate with the RCMP. Indeed, it has given every support asked for by the RCMP to conduct its investigations. To attempt to take one specific case and generalize, as the hon. member is trying to do, is very inappropriate. I am surprised the hon. member acts so irresponsibly in this House.

Some hon. Members: Shame!

Mrs. Pigott: Mr. Speaker, my supplementary question is: in light of a confidential cabinet document outlining federal housing priorities for 1978-79—

Some hon. Members: Oh, oh!