

*Oral Questions*

the details of the submissions by the various witnesses. As to the question of the officers who are chosen by the directors to administer Canadair, we have an example of the directors changing one officer. I am sure they would be made acquainted with the suggestion of the Hon. Member regarding other officers.

## FINANCIAL FIGURES PRESENTED BY OFFICIALS

**Mr. Don Blenkarn (Mississauga South):** The Prime Minister will know what Thorne Riddell, the accountants for Canadair, certified in the year ending December 31, 1981, that the company made a profit of over \$3 million after taxes. This statement, which misled the Government, misled the House of Commons and its committees, was used as the basis to borrow or certify loans for \$1,350,000,000, and an advance last year of \$200 million to the company. Why was the House of Commons misled by these officers of the company and by the firm of Thorne Riddell, and what action does the Government propose to take against the auditors for misrepresentation, or against the directors for misrepresentation? After all, we are going to be asked to bail out this company to the extent of well over \$1 billion because of these misrepresentations.

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, I would not concede that there was an attempt to misrepresent the facts or to mislead the Members, to use the Hon. Member's words. I am sure that the presentation made then by the Vice-President of Finance, and the certification of the state of their balance sheet, was made by honourable and respectable people. As I answered the Hon. Member's colleagues, it may have been there was a bit more optimism about the prospects of future sales than proved to be justified. That is one of the reasons why we have made the very important decision to transfer over-all review for the operations of Canadair, de Havilland, and other Crown corporations, into the control of the CDIC where there will be much greater attention paid to the business aspects of these corporations.

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## NUCLEAR ARMAMENTS

## DEPLOYMENT OF SOVIET MISSILES IN EUROPE

**Hon. Edward Broadbent (Oshawa):** Madam Speaker, my questions are directed to the Prime Minister and concern his meeting with Mr. Gorbachev of the Soviet Union. Yesterday, before a joint House-Senate Committee, Mr. Gorbachev failed to answer questions put to him concerning the destabilizing action taken by the Soviet Union in deploying SS-20 missiles in Europe. Would the Prime Minister tell the House if he raised this important matter in his meeting with Mr. Gorbachev and, if so, what answer did he get?

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, I do not believe you would permit me, within the rules, to comment on the proceedings before a parliamentary committee. That is not provided for by the rules. However, I

can state that I discussed armament questions very sensibly with Mr. Gorbachev, and I am prepared to answer questions to the best of my knowledge if they are asked by the Leader of the New Democratic Party.

**Mr. Broadbent:** Madam Speaker, I assume the Prime Minister simply did not hear the first part of the question. I was not asking him to comment on proceedings which went on before the joint committee. I was asking him explicitly about his conversation with Mr. Gorbachev. I will repeat that question by adding it to my second question.

## PRIME MINISTER'S TALKS WITH SOVIET OFFICIAL

**Hon. Edward Broadbent (Oshawa):** Did the Prime Minister raise with Mr. Gorbachev the destabilizing action taken by the Soviet Union in deploying SS-20 missiles sometime ago in Europe? If so, what answer did he get?

● (1425)

Did he also raise with Mr. Gorbachev the possibility of fusing discussions about tactical and strategic weapons at the Geneva talks, considering that our former Ambassador, Mr. Ignatieff, among others, has said that for serious steps to be taken toward nuclear disarmament the talks have to cover both strategic and tactical weapons?

**Right Hon. P. E. Trudeau (Prime Minister):** Madam Speaker, on the first question the answer is an emphatic yes, I did raise with Mr. Gorbachev the question of the reason why they introduced the SS-20s. I assume he gave me the same answer as he gave the Committee.

**An Hon. Member:** There was no answer.

**Mr. Trudeau:** I understand there was no answer. Well, Madam Speaker, I would not want to interpret Mr. Gorbachev's thinking on this, but in essence the answer he gave me was that they did not consider that the SS-20s were an escalation compared to the SS-4s and SS-5s. That has been an answer that the Soviets have been giving for some time. I must add it is not an answer that most European leaders I have talked to find satisfying.

What I also raised with Mr. Gorbachev is the fact that even in the Kvitsinsky-Nitze walk-in-the-woods suggestion for a compromise, the Cruise missile, which is of such concern to the Hon. Member and his Party, was not considered as dangerous or as destabilizing a weapon as the Pershing IIs. As a matter of fact, Madam Speaker, I asked Mr. Gorbachev if it was not true that the Cruise missiles were something that they were not as concerned about as the Pershing IIs, and the fact that in the draft agreement which came out of the walk-in-the-woods there was a recognition, at least tentative and in draft form, by the Soviet negotiator that the Cruise could be deployed but not the Pershing II, and was that not an indication they were not as concerned with the Cruise missile as perhaps the Hon. Member and his Party are.