

*Adjournment Debate*

One of the things to which we object as being so wrong with the Bill, is that it enhances and perpetuates a monopoly for the railroads. There is absolutely no guarantee in the legislation that the \$800 million, or whatever amount it would be per year, would go to the producers in any way, shape or form. I would ask the Hon. Member, who refuses to speak on the Bill, to look for any guarantee at all in the legislation that the \$800 million which would be paid to the railways would enhance the transportation system for the grain producers of western Canada. They can spend it on anything.

**Mr. Benjamin:** Ask the NDP. They'll make them do it.

**Mr. Friesen:** We do not ask the NDP for anything.

This is why we find the legislation to be reprehensible. First of all, the process is wrong. Second, the principle is wrong. We should not perpetuate or make permanent a monopoly which will destroy the lifestyle of the people on the Prairies. It is wrong. There is no justice in it. There is no equity in it. That is why we oppose it. It destroys the incentive system of the farming community.

**Mr. Speaker,** I would call it 11 o'clock.

**Mr. Deputy Speaker:** Just to set the record straight, the Hon. Member's allotted time has expired.

• (2300)

## PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Standing Order 45 deemed to have been moved.

CROWN CORPORATIONS—CERTIFICATION OF 1981 FINANCIAL STATEMENTS. (B) INQUIRY RESPECTING POSSIBLE REPRESENTATIONS MADE TO AUDITING FIRM

**Mr. Blaine A. Thacker (Lethbridge-Foothills):** Mr. Speaker, my objection relates to the certification of the 1981 financial statements of Canadair. You will know from my question to the Minister of June 17 that I made the point that the certification by the auditors of companies is the entire underlying basis of confidence in our whole financial system.

In short, when we go out to buy shares in companies we look at the annual report of that company and we must be able to rely on the auditor's statement, that the auditor has gone through the financial affairs of that company, and that its financial affairs are solid and sound as reported. We know that auditors carry out an extensive examination and practically come to know everything about a company.

My remarks relates to the statement made by Thorne-Riddell on January 22 regarding the 1981 financial statements of Canadair. In that auditor's statement there were no comments with respect to the huge debt that subsequently arose. If that were a private company, hundreds and thousands of Canadian citizens might have gone out and bought shares,

only to find that three weeks later Canadair showed a loss of \$1.3 billion. That is how much the citizens of Canada have had to put up for Canadair.

I submit that it does not matter that Canadair is in a situation where there is only one shareholder, the Government of Canada, there is still something wrong. I directed my question to the Minister because I wanted to know how that could happen. How is it that the certification three weeks earlier before the demand for the money made no reference at all to that money?

Thorne-Riddell has a longstanding contract with Canadair and collects fees of \$60,000 or \$70,000 a year for professional services. I asked if the Government, any Cabinet Minister of that Government, the Board of Directors or any specific director implied, asked, forced or put any pressure on Thorne-Riddell so that we as citizens could not rely on that statement. The Minister did not answer properly; he did not give any answer at all.

The Cabinet is clearly involved in a cover-up. A task force was appointed to go through those financial statements and report. This was only after incredible pressure was brought to bear. But the Government is refusing to make that report available to the committee looking into the whole question. That is a cover-up. If there was nothing to cover up, there would be nothing wrong with producing that report.

Let me suggest why the Government will not give out that data. There is something in there that should have been reported to the shareholders, the Government of Canada, by Thorne-Riddell. I suspect that because Thorne-Riddell is a nationally respected firm there was some pressure put on it, either by the Cabinet, or the Board of Directors who are all appointed by the Cabinet. There is something wrong happening and I object to the answer given by the Minister.

**Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue):** Mr. Speaker, my hon. friend raises an issue which has been raised in two committees examining the affairs of Canadair—the Public Accounts Committee and the Committee on Finance, Trade and Economic Affairs.

Canadair's auditors, Thorne-Riddell, have insisted in all of their testimony that they were not subject to pressure from either Government of management to conceal the financial situation at Canadair in the 1981 financial statements. They have defended consistently their judgment expressed when they signed the 1981 financial statements that the financial results represented a fair and accurate view of the situation according to generally accepted accounting principles in Canada. That was their responsibility as auditors. As a national firm with a professional reputation to maintain, Thorne Riddell would not allow others to substitute their judgment for the judgment of the auditors. That is what, in the final analysis, the matter is all about. Thorne Riddell assessed the