

JUSTIFICATION FOR EXPENDITURE

Mr. Scott Fennell (Ontario): Mr. Speaker, how can the President of the Treasury Board justify to Canadian taxpayers the spending of \$1 million a day to provide executive jets, toy jets for corporate executives, which the Government's experts state would not cause great disruption in Canada or in the world if they were not produced?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, I know my hon. friend would like us to follow the same procedure with Canadair as his Leader followed with Iron Ore in Schefferville.

Some Hon. Members: Oh, oh!

• (1425)

Mr. Gray: Mr. Speaker, I do not think that this is what the workers at Canadair want. I know it is not what Canadians want. If the Hon. Member wants to destroy not only the Challenger Program, but Canadair and the thousands of jobs there, as well as the thousands of jobs in the hands of sub-contractors, he can argue that, but he will be rejected on this by the Canadian people, as his Party was in the last election when it wanted to do something similar with Petro-Canada.

Some Hon. Members: Hear, hear!

VIABILITY OF CANADAIR

Hon. Edward Broadbent (Oshawa): Mr. Speaker, there are certain people in this House who want a Crown corporation to be running, but they want it to be running efficiently, in the interest of the workers directly affected, and in the interest of the taxpayers of Canada. The \$2 billion plus bailout is ten times the amount of money the Government is prepared to allocate in new funds for youth employment this year. It is fully equivalent to all the money set aside for job training and job creation for the total number of unemployed, in the Budget this year. What conditions has the Government laid down in terms of the performance of Canadair to give the workers directly affected in Montreal, and the rest of the people in Canada, reason to believe that that company is now a viable entity?

[Translation]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I believe that the Hon. Member would find a very direct and explicit answer to his question in the report which was tabled by the Minister concerned in the Standing Committee yesterday. In this report, which is now being examined, the Canadair and CDIC authorities tell Members of Parliament and Canadians at large about the viability of the project and explain how the CDIC and Canadair plan to make the Challenger program a viable one.

Of course, we are most concerned with protecting employment, but we also insist on having a program with commercial-

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ly viable elements and a marketing potential which will allow us not only to protect existing jobs, but also to use innovative technology so that these jobs will still be there in 10 years from now and will have expanded.

[English]

CORPORATION'S MANAGEMENT—ACCOUNTABILITY FOR EXPENDITURE OF PUBLIC MONEY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I asked the question I did because the only answer that was given in the committee yesterday by the Senator responsible was in terms of trying to convey the impression that we should have greater confidence because, by splitting the company and the people of Canada absorbing the debt at an atrociously high cost, potential customers for this airplane would know that the company is in a more financially viable position. Potential customers always knew that a Crown corporation backed by the taxpayers of Canada was in that position. Nothing has changed.

Given the past record of very incompetent management that misled the Government, telling it that the company had ten times the number of orders for the aircraft than it actually had at one time, will the Minister tell us why we should have a greater degree of confidence in the existing management of Canadair? Also, what procedures does the Government implement to give a greater degree of ongoing accountability for this spending of public money?

[Translation]

Hon. Pierre Bussières (Minister of National Revenue): As concerns the first part of the Hon. Member's question, Mr. Speaker, I would like to remind him that the fact that the financial situation of Canadair, will improve with CDIC assuming part of the corporation's debt is extremely important from a business standpoint; I think that the Hon. Member does acknowledge this basic fact.

As for the second part of his question which deals with incompetent management, to use his own words, I would like to tell him that this is basically the reason why, a few months ago, the Government decided to create this new corporation to which it assigned explicit terms of reference for strengthening management practices in companies such as Canadair and de Havilland. The evidence given by the Minister concerned and the CDIC officers before the Standing Committee shows that the management methods of these companies have been strengthened and that their operations will be better managed in the future.

Concerning the last part of the question, which dealt with how these companies could be made more accountable to Parliament, I believe that the fact that the CDIC and Canadair, de Havilland, or other corporations regularly appear before Standing Committees as they are now doing, is an indication that there already is an appropriate mechanism to ensure that these companies are held accountable to Parlia-