

Crown corporations for sale to Canadian buyers

Eight Crown corporations with assets of \$804.3 million will be sold if Canadian buyers can be found for them, Treasury Board President Sinclair Stevens announced September 28.

The four companies and their four subsidiaries with a total of 12,468 employees are:

- Canadair Ltd. of Montreal which was bought for \$46 million in 1976 from the U.S.-owned General Dynamics Corporation. Business has revolved round the development of the *Challenger* long range business jet. Assets of the company and Canadair Inc., its U.S. sales and service subsidiary are valued at \$246.6 million;
- De Havilland Aircraft of Canada Ltd., Toronto, which was purchased in 1974 for \$40.5 million from the British-owned Hawker Siddeley group. A pioneer in short take-off and landing (STOL) aircraft, it has sold 700 of its *Twin Otter* aircraft in many parts of the world. The company's new *Dash-7*, 50-passenger STOL plane has deliveries, orders and options to purchase now totalling 57. Assets are valued at \$185.2 million;
- Eldorado Nuclear Ltd., which was purchased by the Government in 1942 for uranium production. It is the only refiner of raw uranium ore in Canada (which it carries out for the other two major producers, Denison Mines Ltd. and Rio Algom Ltd.). With subsidiaries Eldor Resources and Eldorado Aviation, its assets are valued at \$315 million;
- Northern Transportation Company Ltd., Edmonton, which operates a land and marine transportation system in the Mackenzie River basin and throughout the western Arctic. The company along with its subsidiary Grimshaw Trucking and Distributing Ltd., has not showed a profit for five years. They lost \$340,000 last year, a slight improvement from losses of \$1.5 million in 1977.

"It is not intended that control of any company be sold to foreign interests and no sale will be finalized until and unless we are satisfied that the findings of certain studies now under way are compatible with such sales," Mr. Stevens said.

The Government is prepared in principle to return these Crown corporations entirely to the private sector, said Mr. Stevens, but it reserves the right to retain functions pending further study. The Government is also considering transfer-

ring all or parts of Nordair and Petrocan to the private sector.

As an example, the Minister pointed out that Canada's nuclear policy and aerospace sectoral strategy were under review. He also stressed that Northern Transportation Company Limited would not be sold unless the new owner would be prepared to continue the public policy objectives for northern and social development now served by that company.

In 1978, Canada's total investment (share equity, retained earnings or accumulated deficit) in the eight companies amounted to more than \$187 million. In addition, the corporate debt including guarantees and contingent liabilities by the Government was \$322 million. The Government's total involvement was \$804 million, on which it had net earnings of \$22 million.

The final report of the Royal Commission on Financial Management and Accountability indicated that out of total government assets of more than \$74 billion, the share controlled by Crown corporations in 1977-78 amounted to \$29 billion or 39 per cent, said Mr. Stevens.

"...Nevertheless, the growth of the government sector in Canada and the high proportion of Crown corporations within the Federal Government has to be reversed. Some Crown corporations need the discipline of the marketplace and others are already mature enough to cope independently. Selling some Crown corporations will help us achieve a leaner and less expensive Government," Mr. Stevens said.

In 1957, Albertans were given first option to purchase shares in Alberta Gas Trunk Line whose common equity is now virtually wholly-owned by the investing public. In the 1960s, Panarctic Oils was a successful sharing arrangement between governments and a private consortium. Subsequent sharing ventures have included Canada Development Corporation and Telesat Canada at the federal level, and Alberta Energy Co. and British Columbia Resources Investment Corporation (BCRIC) provincially, the Treasury Board President pointed out.

"We have international examples as well," Mr. Stevens said. "British Petroleum in England, Volkswagenwerk in Germany, Ente Nazionale Idrocarburi (ENI) in Italy and Lufthansa, SAS and KLM among the airlines."

Unions contribute to Nicaraguan relief fund

Medication, food, clothing and shelter — valued at \$500,000 — was included in the first air freight shipment to Nicaragua sponsored by the Canadian Labour Congress (CLC).

A total of \$250,000 in cheques and pledges was collected for the Nicaraguan relief fund in the first two weeks, following an appeal by CLC President Dennis McDermott.

A team from the International Confederation of Free Trade Unions who had visited Nicaragua on July 28, found the people "starving, destitute and economically ruined". John Simonds, assistant to the CLC president and executive secretary of the Congress, was a member of this ICFTU team.

Delegates to the triennial convention of the Public Service Alliance of Canada, held in Quebec City in August, authorized the contribution of a dollar a member for the Nicaragua fund, totalling about \$180,000. The Canadian Union of Public Employees, the United Automobile Workers, the British Columbia Government Employees' Union, the Canadian Brotherhood of Railway, Transport and General Workers and the Ontario Federation of Labour also have pledged funds.

In the Ottawa area four to five tons of used clothing were collected. This appeal was endorsed by Ottawa Mayor Marion Dewar, and the members of the International Association of Fire Fighters used sections of three Ottawa fire stations as collection depots.

"Some of the monetary contributions have been used to provide shelter, buy baby food and powdered milk," Mr. Simonds said. "We have family-size tents for 500 trade union families."

The Amalgamated Clothing and Textile Workers' Union, in arrangements with their employers in the Toronto area, provided new clothing valued at \$65,000 for the shipment.

The shipment also provided a complete immunization program, including a freezer, refrigerator, portable coolers and one million doses of vaccine, said Mr. Simonds, who accompanied the CLC relief shipment to Nicaragua.

The CLC has arranged for the training of Nicaraguans in immunization procedures, by the Pan-American Health Organization.