

In the case of Canadair, it was successful in selling its products, but it no longer needed the support of the federal Government and was in direct competition with the private sector. It was therefore decided that both Crown corporations should be privatized.

I do not believe that there were any differences in views, strategies or procedures in the case of de Havilland and Canadair. Both transactions comply with the comprehensive policy developed by the Canadian Government since our coming to power, and we are going to respect this policy. We are going to keep the technology in Canada. In the case of de Havilland, if we look at sales to date and those anticipated for the next four years, I do not believe that there can be any talk of any loss of employment or lack of technological transfers since we are keeping both jobs and technology in Canada.

The same is true for Canadair. Bombardier has made a commitment to maintain the number of jobs at Canadair. It has also made a commitment to invest in research and development and to keep its technology in Canada. To my mind, all this is very coherent and easy to understand.

The other question asked by the Hon. Member dealt with the price for which Canadair will be sold compared with its book value based on the evaluation of those responsible for analyzing the balance sheet of Canadair.

When we call for tenders to sell something and invite 150 companies to bid on a project of this magnitude, it is obvious that all of the 150 bidders are not stupid. Although similar bids may be submitted, we must admit that these people analyzed the financial standing of the company, met with officials and looked at the corporate books, all of which told them how much the company may have been worth and just where it stood in terms of goodwill. Having weighed all such factors and compared prices, they made an offer which was accepted by the Government. Therefore I fail to see why we should be concerned only with the price issue since both Government and CDIC officials found the offer acceptable.

[English]

The Acting Speaker (Mrs. Champagne): On debate, the Hon. Member for Saint-Henri—Westmount (Mr. Johnston).

Hon. Donald J. Johnston (Saint-Henri—Westmount): I will not debate at length, but I would like to make a few points with respect to this sale, and a few points with respect to privatization as seen from my perspective, and I think the perspective of most of my colleagues on this side of the House.

I remind Hon. Members that when Canadair was acquired in the mid-1970s, the Liberal Minister of the day said that it was the intention of the Government to return Canadair to the private sector at some appropriate time in the future. That philosophy and that policy had never been abandoned by the Liberal Government. In fact, in 1980 when I was President of the Treasury Board, the then Prime Minister, Pierre Elliott Trudeau, gave me the privatization mandate.

Canadair Limited Divestiture Act

One of the companies that we looked at at the time was Canadair. Studies had been done with respect to Canadair and other corporations. But as history has now shown with such clarity, it is pretty difficult to embark upon any type of sensible privatization, especially during a period of economic decline such as we had experienced in the early 1980s.

Madam Speaker, colleagues, and fellow Members, the overriding principles of any privatization scheme are that it is in the best interests of the Canadian taxpayer; that it is a sensible commercial transaction pursuant to which Crown corporations are disposed of; that there is no longer, for example, a national interest which would require that such corporations be retained by the Crown. Those are the type of principles which guided me in my thinking as I looked at the privatization mandate.

I have never been ideologically driven with respect to Government intervention through Crown corporations. Crown corporations have and continue to serve very important needs of this country, both at the provincial and federal level.

Need I only remind some of our Conservative friends from western Canada of the extent to which the then considered right wing Government in Alberta intervened in many sectors of the economy through Crown corporations. So there should be no ideology in this debate. We should look at this as hard-headed politicians trying to do our very best for the Canadian taxpayer. How will technology be preserved? How will jobs be maintained? How will highly skilled jobs be increased in number? What effective return will be realized by Canadian taxpayers?

• (1250)

I have looked at certain parts of the transaction, and there is one in particular to which I should like to refer.

[Translation]

It is right there under our noses, if you will, and I am referring to the risk which will remain for at least roughly fifteen years, if I have the correct dates here. Madam Speaker, this may turn out to be an extra load on the shoulders of Canadian taxpayers.

[English]

I am speaking about the issue of product liability. I have noted that, at the request of the Government, Salomon Brothers was apparently assigned the task of evaluating the extent to which Bombardier's offer for Canadair complied with generally recognized business practices. I understand that Salomon Brothers concluded that the form of risk sharing in respect of insurance premiums did not comply with such business practices. In fact, I have here what Salomon Brothers allegedly reported, that the only important provision in the letter of intent of Bombardier that neither promotes Crown objectives nor conforms to traditional commercial practice is that which provides for risk sharing should insurance become economically impracticable to procure. The general notion of this provision results from precedents set in the de Havilland