

Canadair Limited Divestiture Act

Canadair from the government coffers. Since the Government of the day purchased Canadair in 1976, a total of about \$2.4 billion has been invested in loans and equity. Additionally, the original purchase price of \$46 million was topped up with \$120 million in DIPP payments.

Our primary motive is to ensure the best possible working environment and security of jobs for the employees of Canadair. This is our first and foremost consideration. Closing Canadair will not achieve this, nor will the continued infusion of limited government capital into the company produce job security or expansion. What is needed is the financial discipline, management expertise, and international marketing skills of Bombardier. These will ensure a secure and stable future for Canadair and its employees. Hon. Members must remember that it was always intended that Canadair and de Havilland be sold back to the private sector. Former Prime Minister Trudeau considered privatization. During his campaign, the Right Hon. Leader of the Opposition (Mr. Turner) used Canadair and de Havilland as examples of what can go wrong when Government tries to interfere in areas in which the private sector has a wealth of experience and initiative. He might be wishing he had not said that, after this weekend.

We must accept that the sale of Canadair to Bombardier is the best possible solution to the problems which plague the company. Canadair, under the direction of Bombardier's experienced management, will be given the potential to develop as a leading aerospace manufacturer.

Also major benefits for the country will be realized through the sale. Bombardier has committed to assigning Canadair with its world product mandate for its main product lines. This will be invaluable in promoting a strong Canadian aerospace capability. Similarly, Bombardier will ensure maximum Canadian content in all existing and future products of Canadair.

The infusion of capital and experience into Canadair will enhance research and development to ensure its growth as an integrated aircraft manufacturer which can participate in major Canadian and international defence and commercial projects. This sale truly represents another example of the commitment of the Canadian Government to work hand in hand with the private sector for the betterment and security of all Canadians.

In closing, I should like to bring to the attention of the House a statement made by the Hon. Member for Vancouver—Kingsway (Mr. Waddell) earlier today. He made mention of the fact that the Hon. Member for Etobicoke Centre (Mr. Wilson) now the Minister of Finance made a statement in 1984 to the effect that the Government would set up a separate Crown corporation for Canadair and de Havilland with a mandate for the development of the aerospace industry. It appears that the Member has taken the statement out of context as was the case on January 16, 1986, in a regional development committee meeting when the same statement was brought up out of context by another Member

of the New Democratic Party. In 1984, the Member said essentially that there could be a more suitable way to run de Havilland and Canadair if they continued under government ownership, not that they were going to continue.

• (1610)

Mr. Keeper: Madam Speaker, I have a question for my hon. friend as a member of the Government. I have a question that many Manitobans are asking. Was the awarding of the CF-18 contract by his Government to Canadair not a part of the original deal for the sale of Canadair to Bombardier? In other words, was the CF-18 contract used as a means to ensure the success of the Government's privatization policy? Otherwise, how else does the Member explain the awarding of the CF-18 contract to Canadair, particularly in light of the fact that Bristol Aerospace of Winnipeg won the bidding process and has access to something like \$30 million worth of technology which Canadair appears to need to fulfil the contract? We now have the example of Canadair advertising abroad for engineers. What I would like to know from the Member, who is a representative of the Government, is whether or not the CF-18 contract was a part of the original deal to sell Canadair to Bombardier. If he claims that it was not, will the Government table all of the documents relating to the original sale so that any objective observer could evaluate the original deal to see whether the CF-18 contract was part of the original deal?

Mr. James: Madam Speaker, in response to the question put by the Hon. Member for Winnipeg North Centre (Mr. Keeper), the decision to award the CF-18 contract, as he knows, was made on its own merits and was completely independent of the decision announced in connection with Canadair being sold to Bombardier.

The Member did not mention this, but there was an offer of a royalty payment by Bombardier in its bid to purchase Canadair. That was not considered and it was made public by the Government that it was not considered and would not be considered. There were never any promises made to Bombardier. I do not think there have been any voluntary statements by anybody to that effect. I am sure we all understand why the question is being raised, but that is the case and I have no objective statements by anybody of anything different. I hope that answers the Member's question.

Mr. Johnston: Madam Speaker, my question relates to the issue that I raised during my brief comments earlier. I would like my hon. friend to tell me, if he would, whether he thinks there is a role for Government generally in supporting the costs of product liability insurance for those Canadian manufacturers who find it impractical or unduly burdensome to obtain such insurance in the market-place? I would like him in thinking about that also to reflect on the fact that in this contract, as I understand it, the Government of Canada or the Crown will remain responsible on a diminishing basis for a period of up to 15 years, and that this could include products introduced into Canadair by the new owners which are not currently manufactured by Canadair and will, of course, be