

Canadair Limited Divestiture Act

Maily
Mazankowski
McCain
McDougall
(St. Paul's)
McKenzie
McKinnon
Merrithew
Minaker
Moore
Nicholson
(Niagara Falls)
Nowlan
O'Neill
Oostrom
Plourde

Porter
Price
Redway
Schellenberg
(Nanaimo—Alberni)
Scott
(Hamilton—Wentworth)
Scowen
Shields
Siddon
Sparrow
Stackhouse
Stevens
Sulak
Tardif
(Charlesbourg)

Taylor
Thacker
Towers
Turner
(Ottawa—Carleton)
Valcourt
Van De Walle
Vankoughnet
Vézina
Vincent
Warner
Wilson
(Swift Current—
Maple Creek)
Wise
Witer—101

NAYS

Members

Althouse
Angus
Axworthy
Benjamin
Blackburn
(Brant)
Broadbent
de Jong
Dingwall
Epp
(Thunder Bay—
Nipigon)
Gauthier
Gray
(Windsor West)
Grondin

Guilbault
(Saint-Jacques)
Heap
Hovdebo
Isabelle
Kaplan
Keeper
Killens
Langdon
MacLellan
Malépart
Marchi
McCurdy
McDonald
(Broadview—
Greenwood)
Murphy

Nicholson
(Trinity)
Nystrom
Orlikow
Ouellet
Riis
Robichaud
Robinson
Rossi
Skelly
Turner
(Vancouver Quadra)
Waddell
Young—38

● (1640)

[Translation]

The Acting Speaker (Mr. Paproski): I declare the motion carried.

* * *

[English]

CANADAIR LIMITED DIVESTITURE ACT

MEASURE TO ENACT

The House resumed from Tuesday, December 2, consideration of the motion of Mrs. McDougall that Bill C-25, an Act to authorize the divestiture of Canadair Limited and to provide for other matters in connection therewith, be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): Those who would like to listen to a really good debate, please stay. Those who do not, please leave in a hurry.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I appreciate the opportunity to speak on this Bill and I appreciate your efforts to create an atmosphere in which one can speak. The sale of Canadair to Bombardier is a fire sale. It is a giveaway which raises many questions. I want to deal with several aspects of this issue which concern me. One concern is

that the company is now making a profit. Another is the fact that we seem to be paying Bombardier to take Canadair. Finally, I would like to deal with the fact that Canadair and Bombardier have won the contract for the CF-18 under very questionable circumstances. According to the bidding process, that contract should have gone to Bristol Aerospace of Winnipeg.

Canadair is now making a profit. That was not always the case. A few years ago Canadair was a private company owned by General Dynamics. The company was in financial difficulty and was going to close. The federal Government decided to buy Canadair in order to preserve the jobs in Montreal and the aerospace industry in Canada. The people of Canada invested a lot of money in Canadair and Canadair spent a lot of time developing the Challenger jet, an executive plane. The Challenger jet was quite successful, but that did not happen by accident. The Government invested a lot of the people's money to develop it. Much investment was required to carry out the research and development.

At that time the world economy was in great difficulty. Canadair, an export company, was attempting to sell aircraft in a depressed global economy. Canadair was faced with losses and lack of revenue and did not have the wherewithal to develop a new product. Investment of \$2.2 billion of taxpayers' money resulted in the creation of the Challenger.

When the present Government was in opposition, its members criticized this investment. They called it a waste. Now that they are in office, they are giving the results of that investment to the private sector. The Government is giving the company away at the exact moment that the company has begun to turn a profit, the exact moment that positive results of the investment are beginning to show.

Why is the Government giving away a profitable company? Why is it giving away the results of \$2.2 billion of investment by ordinary Canadians? I suspect the Government is doing this to show that its policy of privatization is successful. The Government wants to create the appearance that it can take a failing public company and make it successful in the private sector. However, the reality is that the company became successful because of the investment by the people of Canada in Canadair. We should retain Canadair in public hands in order that the public Treasury can benefit from the profits which are beginning to be made. I conclude that the Government is giving this firm away to bolster its arguments in favour of privatization.

There is another aspect of this deal which raises many questions. Just how sweet is this deal for Bombardier? How sweet is the deal? Let me point out a few facts. Canadians invested \$2.2 billion in Canadair in order to develop this company which is now turning a profit. Bombardier is paying \$120 million for the company, which is a fraction of the investment. That \$120 million purchase figure is less than the \$300 million liquidation value and less than the \$224 million book value of the company.