

both groups improve on their respective offers. The revised offers were received on June 17.

On June 20, three days later, the board of directors met once more and, after hearing explanations from Burns Fry's officials on behalf of the DRIE's financial advisers and officials, the board recommended that the Government accept Bombardier's offer. That is how the offers were considered, Madam Speaker. Nothing was hidden, no tricks-complete straightforwardness and integrity prevailed throughout those negotiations.

Approximately a year and a half elapsed between the Minister's announcement and the sale of Canadair. This is a far cry from the actions of the previous Government, which supported it for eight years.

Aside from that, Madam Speaker, I would like to tell the House what were this Government's concerns with respect to the offers to purchase.

During the negotiations, the Canadian Government has required more than a checkbook to hand over ownership of Canadair. The Government demanded that the transaction ensure a good balance between the priorities of the state and the initiatives of the private sector.

The Government assessed the bids of potential buyers based on three criteria:

A healthy management capacity;

A solid financial basis; and

Contribution to the maintenance and development of a viable and dynamic manufacturing aerospace industry in Quebec and Canada.

Why was the Bombardier bid given preference, Madam Speaker? Simply because it was the best, both economically and technically. The price of the sale includes many important components:

The Canadian Government will receive a cash payment exceeding \$120 million for the Canadair shares.

The Government will remain the owner of the *Challenger* technology and grant a usage permit for this technology in exchange for future annual royalties which Bombardier has evaluated at \$173 million. This is a major point, Madam Speaker.

The third point is that the Cartierville airport grounds will be sold at their market value, which has been assessed at \$11.5 million.

The Government will also receive special shares worth \$100 million and other special shares worth \$50 million to promote an increase in research, development, export and Canadian contents.

Finally, the Government will receive a special dividend of \$3 million as well as part of the amount paid to Canadair once its dispute with one of its suppliers has been settled.

#### *Canadair Limited Divestiture Act*

Madam Speaker, that is an outline of the contents of that transaction. It is not as bad as some doomsayers have hinted. On the contrary, we believe that it is a very good deal, for Canadair and Bombardier also have made the commitment to meet the following sales conditions: Bombardier will maximize the Canadian content in the Canadair products; the present research and development capacity of Canadair will be increased to make Canadair a real aircraft manufacturing company able to sustain the competition of commercial markets and the defence equipment market; and to answer the question raised earlier by my colleague from the New Democratic Party, Canadair employees will be eligible to participate in the Bombardier employee share purchase plan. There are more conditions, but I just wanted to mention those, Madam Speaker.

That is what the Government and the Bombardier company have committed themselves to. Contrary to what some people have been suggesting, we had no intentions to stab anybody in the back.

Madam Speaker, when some Opposition Members use scare tactics in linking this privatization with the CF-18 maintenance contract with possible layoffs and a technology transfer, this is all I can say: You know just as well as I do, that the CF-18 maintenance contract is totally unrelated with the sale of Canadair. You know that it was awarded on the basis of merit to industrial bidders, and that it makes up for the disgraceful action by the previous Government with respect to the spinoff of the CF-18 manufacturing contract.

As to the loss of jobs and the technology transfer, Madam Speaker, let me remind you of the scare tactics used by some Members, and especially the Hon. Member for Ottawa Centre (Mr. Cassidy), during the debate on the sale of de Havilland. Believe me, I am very much in a position to know. In 1986, de Havilland had record sales, as a group of Canadian carriers ordered 42 Dash-8 for a total value of \$400 million, bringing the company's firm orders and purchase options to a combined total of 132 aircrafts. This means two and a half years of work. Here is, ladies and gentlemen of the opposition, what the sale of de Havilland has meant. You scared the population without cause and I wonder why you did it.

To conclude, Madam Speaker, I would like to emphasize that this transfer of a Crown corporation to the private sector proves, beyond any doubt, that the Conservative Government is committed to giving this sector of our economy the place it should have. It wants to eliminate the competitive imbalance between the private and the public sectors and to encourage the private sector to demonstrate its initiative and ability to invest in advanced technology, and research and development.

Madam Speaker, my speech would not be complete without some quotes from people affected by this transaction. Patrice Bleau, a Canadair employee: "We must develop new markets, and I think this sale will help." From Laurent Beaudoin, President of Bombardier: "We are very proud of this transaction, because it fits in with Bombardier's development plans." From Normand Cherry, of the aerospace workers union, who