

Canadair Limited Divestiture Act

for the next fifteen years on Canadair's aircrafts which are now being sold. This is a package deal which is very profitable indeed for Bombardier.

[English]

If it is a good deal for Bombardier, is it necessarily a good deal for Canadians? I would say it is not. We should think this through again. I remind the Government that in the policy it enunciated on the privatization of Crown corporations in the May, 1985 Budget we were assured that Crown corporations would not be sold at distressed prices merely to transfer them quickly to the private sector. We were told that privatization would take place "at a measured pace", that there would be careful consideration of all the issues, and that there would be a fair and reasonable price for each asset. I must ask whether \$120 million is a fair and reasonable price for an asset which cost Canadian taxpayers \$2.2 billion.

Have all the issues been carefully considered or has the Government decided that in order to please a few right-wingers it must do something to show that it is really a right-wing Government which accepts all the advice we have been getting from the corporate sector and right-wing ideologues in the United States? It may have been appropriate to take advice from right-wing ideologues a couple of years ago, but these are the people who brought us President Reagan's dealings with Iran and the cloak and dagger work from the basement of the White House. This is the kind of thinking which underlies such an ideological move as selling Canadair for \$125 million, regardless of whether or not it is a good investment for the Canadian people today.

I would like to remind Hon. Members opposite of an old adage with regard to investing. Whatever happened before, you should look at the current situation before deciding whether to buy or sell. I notice that the Minister of State responsible for privatization is delighted that I have entered into the area in which she used to work. She knows that if an investment has dropped by half, on the one hand you should not hang on to it in the hopes that it will go back to the price you paid for it, and on the other hand, if it is a good investment at the current price, you should keep it rather than sell it because you lost money on it before.

The former Government lost the money on this investment. The latest profit figures indicate that Canadair has currently made a profit of \$20 million. That is not bad for a company which the Government values at \$120 million. On those grounds alone it would make a lot of sense to consider keeping Canadair in public hands rather than proceeding with the proposed privatization.

My colleagues have raised other questions.

[Translation]

My colleagues have raised other issues which I should like to address also. They said that the Bombardier Corporation has a certain management and marketing ability which will help Canadair. But they used the very same argument concerning the purchase of de Havilland by Boeing.

I submit that Bombardier is not familiar with the marketing of jet airplanes abroad, because it has never been involved in the past in this area of activity.

I have visited the Canadair plant in Montreal. It is a well managed plant, with good managers and good workers who have an *esprit de corps* which is probably much stronger than the one that existed at de Havilland's.

But we wonder why it is necessary to proceed with this privatization sale when this corporation as it exists now seems to be doing all right.

Although the time allocated to me has nearly expired, Madam Speaker, I should like to direct a question to the Minister responsible for privatization, as she appears ready to stand up to answer questions. My question is this: What is really this Government's policy concerning the aerospace industry? The Minister of Finance has promised us a policy concerning the aerospace industry, but the only policy we get is that of sell, sell, sell.

• (1550)

[English]

Let me remind the Minister that most other countries have a substantial public stake in the aerospace industry. They have seen the necessity to do this because of the high technology and jobs involved. It seems to me that the Government is doing the opposite by selling out the two companies which together made up 25 per cent of the total volume and employment in this important industry.

I believe I have given a number of reasons why we are extremely disturbed over the sell-off of Canadair at a fire sale price. The Government did this with de Havilland and is doing it with Canadair. I call on the Government to stop implementing its ideology just for its sake, and to look at the consequences of what is taking place.

Mr. Redway: Madam Speaker, I listened with interest to the Hon. Member's comments about the opinion of Canadians on privatization in general. I suppose my constituency may not reflect the average Canadian constituency, but it seems to me that it probably reflects the average Canadian urban constituency. It is a riding that is entirely within the municipality of Metropolitan Toronto. It has residents who come from a very modest level in the socioeconomic scale, up to a reasonably high level in the socioeconomic scale. There is a cross-section of over 60 different cultural backgrounds in my constituency.

I recently put a series of questions to my constituents, among which dealt with the question of privatization of Crown corporations. In fact, I was somewhat surprised by the results. First, I asked: "Generally, do you favour the selling of Crown corporations?" I found that 72.5 per cent of my constituents who responded said that they favoured the selling of Crown corporations and only 17.5 per cent said no.

I asked some specific questions about specific Crown corporations, one of which was Canadair. Although the