

● (1415)

[English]

**Senator Olson:** Senator Asselin said I did not answer his question completely, and I suppose I did not answer it completely to his satisfaction based on the arguments and the submissions that he is making, but I did, nevertheless, give an answer to the question that he raised, and I do not want to repeat it. In any event, when he asked the question why it was somewhat different from some other restructuring deal that might have been made with another company, whether it was in Quebec or elsewhere, I can refer that to the Minister of Transport, if he would like him to draw those comparisons. The federal government is trying to be helpful in this situation, as it was in a number of other situations where there was financing and, indeed, refinancing, problems that were so severe that it appeared that those companies would go into receivership, or trusteeship, or bankruptcy, unless the federal government tried to be helpful. I can assure him that the motive of the federal government and the Minister of Transport is to be helpful in this situation too.

[Translation]

**Senator Asselin:** I thank the leader, but I would like him to ask the Minister of Transport, Mr. Jean-Luc Pepin, why the federal government's reaction in this case is different from what it has been previously?

This is precisely the important point I raised, and I would like a specific answer. I am eagerly awaiting an answer from the Leader of the Government.

[English]

**Senator Olson:** I could give an answer to that question now, but I think Senator Asselin would prefer to have the answer come from the Minister of Transport, and I have already given an undertaking to refer that part of the question to the minister.

[Translation]

**Hon. Arthur Tremblay:** I have a supplementary that deals, as far as I can remember, with the terms Minister Pepin used in his proposal concerning the changeover from Quebecair 1 to Quebecair 2. As I understand it, Quebecair 1 has liability for the debts and the assets. However Quebecair 2, the new company, would be entitled to buy some assets from Quebecair 1.

My first question is this: on what basis will the transaction referred to in the federal minister's letter be conducted between Quebecair 1 and Quebecair 2? Is the reference to a purchase by Quebecair 2 of Quebecair 1 assets intended to mean for instance the purchase of two Boeings 727's or other assets, with the result that Quebecair 1 will have to pass on anything of value to Quebecair 2, and be left with debts only? It seems to me there is some room for discussion and that everything would be contingent upon the terms and conditions upon which Quebecair 2 would acquire Quebecair 1 assets.

Clearly the balance between liabilities and assets will depend upon the transaction process between the two. In other

[Senator Asselin.]

words the terms of negotiations will be dependent upon the deal which may be made.

[English]

**Senator Olson:** Honourable senators, I think Senator Tremblay has asked a fairly detailed question. Although it is not particularly complex, he is asking for details of what the terms and conditions in the total package might be for establishing Quebecair 2, including, I suppose, either the acquisition or the transfer of assets from the present Quebecair. I think I should refer that question to the Minister of Transport.

● (1420)

I hope that Senator Tremblay does not expect a response covering the kind of detail he is now requesting until some time after we have received the reply from the Honourable Michel Clair and others because I think the minister's statement and, indeed, the offer that he made, are clear. It seems to me that we should have a reply from Mr. Clair before getting into the details of the transaction itself.

[Translation]

**Senator Tremblay:** I should like to ask a supplementary question or, rather, to clear up a point. My purpose was not to find out what the Honourable Mr. Clair might reply, but only to clarify the offer made by the Minister of Transport, the Honourable Mr. Pepin. Careful reading show that there are a few vague and undealt with items in this offer. I pointed out to one of those grey areas which characterize the nature and quality of the offer itself.

[English]

**Senator Olson:** I was attempting to indicate to Senator Tremblay that my concern lies in the timing of my reply insofar as it may cover the details for which he has asked. I remain of the view that we should have a reply to the proposal or the statement made by the Minister of Transport to Mr. Clair.

At that point, I am certain that both sides will be satisfied regarding the details for which Senator Tremblay has asked.

**Senator Tremblay:** I would point out to the Leader of the Government that I am asking my questions so that I can be clear in my own mind about what the offer of the Minister of Transport entailed. Because of the grey zones contained in it, I confess that I did not completely understand the real meaning of the offer.

[Translation]

**Senator Frith:** Have you read it?

**Senator Tremblay:** Yes, I think.

**Senator Frith:** Have you read it?

**Senator Tremblay:** I am referring specifically—though I cannot say which paragraph—to the statement about the possibility of Quebecair 2 buying out the assets—

**Senator Asselin:** Certain assets.

**Senator Tremblay:**—certain assets in the selection of assets which Quebecair 2 will buy, and I mentioned the two Boeing