

*Canadair Limited Divestiture Act*

increasing the economic activities in this area. Moreover, foreign corporations have opened shop there because they have faith in the capacity of the Quebec labour force and the opportunities offered to them. Indeed, it should be recognized that over many decades, successive Governments have contributed to the aeronautic development of Canada. But we should not overlook the fact that the present Conservative Government is making every effort to maintain this momentum and open up new markets abroad.

• (1220)

Madam Speaker, the Quebec people are proud people. They are proud of their roots, proud of their aspirations and especially proud of its Government which respects its ability to pay. It is important for the Government of Canada that the Quebec people should preserve their pride. It is important for the Government of Canada that the Quebec people should be treated with the same interest as other Canadians elsewhere in this country. It is especially important that the national wealth should be shared equally throughout Canada. However, the most important point remains the respect which the Federal Government should have for all regions in the areas of investments and transfer of technology.

Much too often we have seen in the past the setting up of industries in locations based on the mere recommendation of a Minister acting under the pressure of influential businessmen groups.

Quebecers still remember being conned when the contract was awarded to build F-18 airplanes. They will remember it for a very long time.

Madam Speaker, I should like to come back for a moment on the privatization as such. In his economic statement, the Minister of Finance had indicated his intention to privatize a number of Crown corporations with the sole purpose of eliminating the competition in which the State was involved through these corporations with the private sector. I suggest this decision must have been a good one, for the provinces as well as the Government of the United States are planning to do likewise.

Even though the Opposition is trying to prove otherwise, the Canadair Corporation is not being privatized to make up for the financial mistakes of the past. It is returned to the private sector for the sole purpose of creating the best possible future for the corporation and its employees.

While not taking into account past mistakes, it is nevertheless important to remind the House that the Canadair Corporation was bought from General Dynamics in 1976 for \$46 million. It operated at a loss every year until the spring of 1984, when the Government of the time decided to soak up its \$2.4 billion deficit with the money of Canadian taxpayers. From that date on, it has shown signs of recovery and declared a profit of \$16.8 million in 1985 on sales of some \$227 million. During that same period, from 1976 to 1984, the number of jobs went from 7,200 to 4,800, for a net loss of 2,400 jobs,

demonstrating again that in the private sector, small and medium-size businesses create more jobs than the public sector.

Now, Madam Speaker, you will ask me: Why sell a company which has finally come around to making profits? The answer is simple. Canadair is a company that manufactures aerospace equipment, a high tech business selling sophisticated products on the international markets. The sale is consistent with the privatization policy of the Government. One of the objectives of that policy is to improve the management of all Crown corporations and to privatize those in which the Government no longer needs to be involved in order for the objectives of our public policy to be reached. This pragmatic approach enables the Government to improve its financial management and to create within the nation a stable climate favourable to private enterprise.

I would also like, Madam Speaker, to speak briefly about the process used by the Government to privatize Canadair. The Hon. Member for Saint-Jacques (Mr. Guilbault) said earlier that selling the corporation took a long time. However, let me explain the process used by the Government.

As soon as it was asked to privatize Canadair, the Canada Development Investments Corporation (CDIC) went through the following steps:

In co-operation with the management of Canadair and officials of the DRIE, two different levels of information were collected. A public information kit was made available to all parties concerned and a privileged information kit containing further details was provided to potential buyers who had to prove their financial capacity and sign a statement of confidentiality.

The CDIC hired the services of a consortium made up of the firms Burns Fry Limited (Canada), Merrill Lynch Capital Markets (United States) and S.G. Warburg & Co. Limited (U.K.) which was entrusted with the mandate of financial adviser for the purpose of selling Canadair.

The financial advisers prepared other information kits and in co-operation with CDIC contacted some 150 interested parties around the world.

Approximately 25 applicants did show sufficient interest for proceedings to be continued. Some of them visited the plant and discussed matters with the management of Canadair.

By the end of January 1986, six groups had stated their interest and negotiations were launched with each one of them.

On June 6th, the CDIC board of directors met and each of the interested groups which had filed proposals made its submission. Later on, the board of directors asked CDIC to further negotiate with two of those groups, Bombardier Inc. and Canadian Aerospace Technologies Limited because in the board's opinion their offers were well above the others.

Discussions were held later with representatives of Bombardier and Canadian Aerospace Technologies Limited to set aside the items considered unacceptable to CDIC and to have