

ownership and Crown corporations by the Auditor General a few years ago. The report suggested that these Crown corporations were effectively out of control. That led to an important report on this question which suggested a new regime of accountability. However, the former Government did not move beyond a form of accountability which effectively put a number of Crown corporations into a pattern of ownership little different from that of the private sector.

[Translation]

Now, Madam Speaker, I would surely like to see in the public sector a management system that would be different from that in the private sector, that would recognize that Crown corporations of course have some functions similar to those of private sector groups—the need to survive, to pay employees, to produce goods and services, to reach certain goals in terms of viability. But the public sector could also have goals that would be different from those prevailing in the private sector—regional development, national development, carrying the Canadian flag outside the country, developing target industries such as the aerospace industry as we see it now with the purchase of Canadair, the de Havilland Corporation, and so on and so forth. Crown corporations also have a potential for being managed differently from private corporations, as a model for the private sector.

I am wondering, for instance, whether it could be possible within our Crown corporations to ensure worker participation at all levels by sharing the information needed, by sharing responsibilities and then making decisions. Instead of that, we see that the Government has actually allowed those Crown corporations to be managed as if they were in fact private corporations. The same is true under both Liberals and Conservatives—there is no understanding of the fact that there really is a difference.

[English]

Then they criticize these Crown corporations for not having achieved all of the private sector goals when they have not understood there is a difference between private sector and public sector management.

I am very disturbed that the Canada Development Investment Corporation, the parent company for Canadair as it was for de Havilland, in looking for a new future, was neither directed nor took the initiative to look at options other than a simple takeover in the old-fashioned form of privatization. What about the possibility of joint ventures? What about the possibility of consortiums with Canadian or foreign corporations? What about the possibility of an employee buy-out or participation in running these corporations? None of that was done. Instead the Government took advice from the private sector.

[Translation]

They sought the advice of people who had to make recommendations for the age-old form of privatization, that is selling to the private sector, to individuals from Bay Street or la rue Saint-Jacques and, of course, since they are working in the

financial and private sector, the same people are advising the Government by way of the Business Council on National Issues and other such organizations. They actually gave the advice sought by the Government which effectively was to forget those investments, to forget what Canadian taxpayers have paid for the development of those very important corporations.

● (1540)

[English]

At the beginning of this year we were dealing with the sale of de Havilland. It is fortunate that the House of Commons is at least being asked to debate the sale of Canadair. That is a positive move compared to the stonewalling which took place in this House in December, 1986, which finally led to the Government's decision to allow the matter to go before the committee on regional development in January of 1986, only 10 months ago.

Of the \$155 million which was nominally paid for de Havilland, only \$90 million was paid in cash. In return, the Government of Canada gave a whole series of concessions. Boeing received \$90 million in various deferred grants in return for the \$90 million it paid for de Havilland. They were allowed \$400 million in tax write-offs to reduce the cost of the airplanes they sold within Canada. There were other concessions under the various industrial productivity programs.

That is how we gave away de Havilland, a corporation in which the public had invested hundreds of millions of dollars. The Government is asking us to do the same thing with Canadair. I want to remind Members of the House that the investment—

[Translation]

—the investment of taxpayers in Canadair is approximately \$2.2 billion. This is the amount of money that was invested in that corporation. Now Canadair is worth, according to experts, about \$300 million. We have lost all that money as a result of bad management under the former Liberal Government. This corporation is worth, according to all the estimates, between \$250 and \$400 million. How much are we asking for Canadair? A mere \$120 million. This is the price to be paid by Bombardier. Plus what? Plus payments for the technology used in the Challenger jet built by Canadair. Those payments have a nominal value of \$173 million, but the alternative is to sell all those rights for only \$20 million to be paid within the next two or three years. Therefore, a total of \$140 million paid by Bombardier—for what? Well, Canadair will get \$31 million in grants under the defence production industry program, as well as \$20 million in grants for the CL-289 airplane; then, Canadair has been promised another grant of \$30 million for other projects, including the CL-215 airplane and the Challenger jet. Now, if we add up all these amounts, we find a total of approximately \$80 million which are effectively a compensation for the \$120 million which Bombardier will have to pay. Moreover, the taxpayer will assume Canadair's debt and will share in the liability insurance risk