

Canadian National Railways and Air Canada

Canadair, but these statements have not been forthcoming: the chairman of the committee has heard nothing further from Mr. Pratte in this respect.

Mr. Pratte, when we attempted to get some justification for proposing to pay \$47 million for these new companies, suggested that after all this was only a working document and he felt we should not be pressing as though this transaction was a *fait accompli*. When we indicated that the natural thing to do was to get an assurance from Mr. Pratte and Mr. Vaughn that in the meantime, between that committee meeting and June 30, 1974, they would not buy the shares of de Havilland or Canadair, leaving us with no opportunity to review the deal, the president of Air Canada gave us this commitment. I asked him the following:

—what assurance can you give us that by June 30, 1974, you will not become obligated with respect to the purchase of Canadair or de Havilland as set out in this proposal?

MR. PRATTE: I have offered at the last meeting to give that assurance to you, sir, and to members of the committee.

He went on to say:

—I can certainly give you the assurance that there will be no commitment to subscribe or to permit any money for the purchase of any interest in Canadair or in de Havilland or in any company that would have any interest in de Havilland or Canadair.

I said:

I am relieved to hear that.

When I pressed Mr. Pratte, he went on to say that they might have to spend half an hour or so actively pursuing the deal if they were requested to do so. I asked him if he would also give assurance that he would not press the deal further, and he said:

However, in terms of committing money, or committing ourselves to go into that proposition having to do with de Havilland or Canadair, I am prepared to give a commitment at any time.

I repeat, "half an hour or so"; and that is the way it was left at the committee meeting. We pressed him for further assurances and we were left with what I regarded as a clear undertaking that there would be no commitment on the part of the government of Canada or any Crown agency of the government to purchase the shares of de Havilland or Canadair between that date and June 30. That is why I believe hon. members will understand my surprise when I found in the main estimates tabled in this House by the minister responsible for Treasury Board an estimate in the amount of \$28.8 million, being vote L20, for the payment in current and subsequent fiscal years in accordance with the terms and conditions approved by the governor in council for the purchase of shares of the capital stock of de Havilland of Canada Limited.

We had a commitment from the president of Air Canada that between that date and June they would not purchase the shares of de Havilland. Then we had an estimate tabled in this House and, as I said earlier, this question came up for review before the Committee on Finance, Trade and Economic Affairs. At that time I asked the Minister of Industry, Trade and Commerce whether he would be good enough to give us the statements concerning de Havilland so that we as members of the committee could decide whether this \$28.8 million was an appropriate amount to pay for de Havilland. We were told flatly that this was a confidential document and would not be turned

[Mr. Stevens.]

over to us. I refer to the *Minutes of Proceedings and Evidence* of the committee for March 26, page 2:26, when I asked the following:

Mr. Chairman, could the minister then furnish the committee, so that we may tell whether the \$28 million figure is a fair new estimate, with de Havilland's statements for the past five years showing balance-sheets, profit and loss picture for this company?

MR. GILLESPIE: I believe that is private to the company itself, Mr. Stevens. I cannot give you that undertaking.

Keeping in mind that we had the president of Air Canada assure us he would deliver the statements, that under no circumstances would they be committed to buying this stock but that in the interval they might have to spend half an hour discussing it, the minister went on to state:

A good deal of work is being done by my department to assess the potential of the firm.

Again I asked whether we could have the financial statements for this company and the minister replied:

Those are confidential to the firm.

I then asked:

Have you requested de Havilland or the Hawker Siddeley people if they have any objection to making these statements public so that they can be properly reviewed at this committee?

MR. DEPUTY SPEAKER: Order, please. I regret to interrupt the hon. member, but his allotted time has expired. However, he may continue his speech if there is unanimous consent. Is this agreed?

Some hon. Members: Agreed.

MR. STEVENS: Thank you, Mr. Speaker. The minister went on to state that he would make the statements available at the appropriate time. I suggested that the appropriate time was then and there, if he wished the estimates to be passed. And this is what I regard as sheer trickery: unknown to me, there was placed on the order paper of this House a notice that it was proposed to pass item 25 of the estimates of the Department of Industry, Trade and Commerce, vote L20, in the amount of \$19,731,000. I was not aware of that until Tuesday evening when we were furnished with an appropriation bill in which I noticed a reference to de Havilland and the amount of \$28.8 million. I suggest that no member of this House had the opportunity to debate that amount. We had only a fleeting moment to realize that the amount was being passed by the parliament of Canada.

Let us take a clear look at this matter. The statements of the Hawker Siddeley group of England are quite clear as to their investment in de Havilland. They spell it out much more fully than did the Minister of Industry, Trade and Commerce. These statements point out that there is an option outstanding in the name of the government of Canada to purchase shares in de Havilland on or before June 28, 1974. At the committee hearing the minister admitted that the government wanted the estimates passed in order to meet the deadline of June 28, 1974.

● (2050)

In what position does that put the members of this House when in committee we have a firm undertaking from the president of Air Canada that under no circum-