

Oral Questions

provide \$2.5 million of fresh money? Was that fresh shareholder's equity actually provided, or did Maislin simply sell off the pension fund of Gateway Transport and use those funds as the supposed fresh money?

• (1430)

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, if I am not mistaken, all but one of the conditions was undertaken by Maislin. The other condition was the requirement of the Government to find a suitable director to sit on the board. That is the only condition that has not been fulfilled to date, and, yes, the infusion of money came from the liquidation of Gateway's pension plan in the United States.

NATURE OF INVESTMENT MONEY

Mr. Doug Lewis (Simcoe North): Madam Speaker, if Maislin owned Gateway Transport it would seem to make sense that they owned all the assets of Gateway Transport, including the right to sell off the pension fund. If they in fact sold off the pension fund, how can that be fresh money provided by shareholders of Maislin, rather than just simply the sale of an asset owned by a subsidiary of Maislin?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the undertaking was that they would provide an infusion of capital. How that infusion of equity was going to be obtained was a decision made by the company. That was a decision for them to take. I reiterate, it was a pension fund in the United States that liquidated, not one in Canada.

APPLICATION OF LOAN GUIDELINES

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, I wish to direct a supplementary question to the same Minister. When the President of the Treasury Board held the portfolio now encompassing his responsibilities, he enlarged the guidelines for loans made to bail out industrial producers to include operations such as Maislin in order to accommodate the Government decision on that \$34 million loan. Is the Minister still following those enlarged guidelines so as to accommodate other similar applications, such as that of Maislin?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, perhaps the Leader of the Opposition could be more explicit with regard to the enlargement of the guidelines. I am not aware of any enlarging of the guidelines that was to be undertaken with respect to that particular industry.

INQUIRY RESPECTING FUTURE FUNDING FOR MAISLIN

Hon. Erik Nielsen (Leader of the Opposition): Madam Speaker, the Minister was sitting in the House at the same

time I was, when the now President of the Treasury Board declared in this House that those guidelines would be enlarged to accommodate such loans. Since he is unprepared to be specific in his answer as to whether or not he is continuing to follow those enlarged guidelines, perhaps he will inform the House whether he has any information that Maislin will require any additional funds in order to continue to be viable up to and following June of this year?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Madam Speaker, the new president will be preparing a revised set of financial statements which I imagine will be ready by the end of March or the first of April. At the present time I have no indication from the Company whether additional capital will be required. Thus, at this point in time I have no recommendations for my colleagues in this regard.

Madam Speaker: The Hon. Member for Kindersley-Lloydminster.

Mr. Forrestall: We know who has favour around here, don't we?

Some Hon. Members: Hear, hear!

Mr. McKnight: It is the day, Madam Speaker.

REQUIREMENT THAT COMPANY SUBMIT FIVE-YEAR BUSINESS PLAN

Mr. Bill McKnight (Kindersley-Lloydminster): Madam Speaker, I have a question for the Minister of Industry, Trade and Commerce. It is supplementary to the question asked by the Leader of the Opposition. The Minister stated that all criteria for supporting the \$34 million loan guarantee given by the Government had been met. Was the criterion that a five-year business plan be submitted by December 31, 1982, met, and in that plan was it indicated that Maislin would continue to lose in excess of \$1 million a month in operating costs alone?

Hon. Ed Lumley (Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): In response to the teacher's pet, as my colleague says, yes, there was a five-year plan presented by December 31, but upon taking office the new president of the company did not feel that that five-year plan was adequate. He is now in the process of preparing another one for the Government officials to have a look at.

COMPANY LOSSES

Mr. Bill McKnight (Kindersley-Lloydminster): I will ask the question again, Madam Speaker. In the five-year plan presented by Maislin to the Government, if it was presented, did it indicate that Maislin would continue to lose in excess of \$1 million a month in operating costs?