

Canadair Limited Divestiture Act

Mr. Keeper: Mr. Speaker, I want to mention to my hon. colleague that I have said that this sale is a gift to Bombardier. Why sell a public corporation to a private company at a price which is really lower? Why sell a public corporation when it has started to show a profit? Why sell such a corporation without strong jobs security clauses? Because the jobs security clauses in this agreement have no legal power. In this party, we are aware that the industry will be able to ensure employment.

I suggest it is as possible in the public sector as in the private sector. Is it necessary to give such a Christmas present to a private firm for this corporation to continue its operation in Montreal? No, Mr. Speaker. Canadair has already started to show a profit.

The second point raised by the Hon. Member had to do with the price. He said that when a company is not a profitable going concern it is not possible to sell it at a good price. Mr. Speaker, the right time would be now that the company is beginning to make a profit. That is the right time if you want to sell this kind of company and ask for a good price. The company may have lost money in the past, I agree, but then it was designing new projects and Canadian taxpayers invested their own money in the company. To simply give it away to some private sector friends is definitely not a good idea and the Government should have asked for a fair price.

• (1140)

[English]

Mr. Blenkarn: Mr. Speaker, I was wondering if members of the New Democratic Party have had an opportunity to read the opinion of value put forward by Messrs. Peat Marwick dated April 16, 1985. I would like to read into the record the opinion which states in part:

—subject to the scope of our review and the major assumptions noted below, the net realizable value of Canadair Limited as at September 30, 1985 would be in the range of \$(246,500,000) to \$(376,200,000). Bracketed figures indicate a negative value or a net cost to wind down the operations.

The report goes on to state that the average would be somewhere in the range of minus \$330 million, and that would be winding it up or liquidating the company.

Let us put the record straight. Let us understand that this company had a value as a going concern of \$70 million. It was sold for \$120 million cash, plus royalties of up to \$176,000, perhaps netted out at \$20 million on cash now for future considerations. It was a very good sale. Let us understand that and let us not give the House any more false figures.

Mr. Keeper: Mr. Speaker, I have but one thing to say to my colleague. It is that, yes, we are aware of the background to this deal, and yes, it does have all the appearances of being a fire sale, a Christmas gift to the corporate friends of the Conservative Party in Montreal.

Some Hon. Members: Oh, oh!

Mr. Keeper: I would like to back that up by pointing out that Canadair became profitable a couple of—

[Translation]

Mr. Lanthier: Mr. Speaker, the allegations we have just heard are harmful to a business-oriented Montreal company which has always been thriving and whose management have never been identified with Conservative grass roots. So this is absolutely false.

Mr. Keeper: If it was not a gift, Mr. Speaker, I wish the Hon. Member would explain why the Government sold a company like Canadair at a basement-bargain price.

[English]

I would like to respond to my friend, and I will do so briefly and to the point. The points are these. First, Canadair has become a profitable company, so why sell it for a low price? Second, Canadair is benefiting from numerous forms of assistance from the federal Government which I have outlined earlier. I ask to Hon. Members, why pay Bombardier to take Canadair off the hands of the public when it is now making a profit?

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, we have just listened to a very interesting speech, and some always interesting interventions following the speech. I think all Members would agree that the Hon. Member for Winnipeg North Centre (Mr. Keeper) who gave his entire speech in French without the use of notes is to be congratulated.

Some Hon. Members: Hear, hear!

Mr. Lanthier: It's your turn now.

Mr. Riis: It is always a pleasure to see Hon. Members who have studied hard demonstrate their proficiency in one of Canada's official languages. Others of us still have some work to do in that respect.

It is a pleasure to have this opportunity to say a few words about the Bill which is before us at second reading, Bill C-25, an Act that will result in the transfer of ownership of Canadair to the private corporation of Bombardier in the fine City of Montreal.

I wish to begin my comments by indicating, first, a fact about which I am not sure Members of the House are aware. There is a great deal of myth and fantasy, fact and fiction, which takes place in the House at times. But since the Progressive Conservatives came to power in September of 1984 there has been a move to change over by selling off a number of Crown corporations to the private sector, a move called privatization. The Minister of State for Privatization (Mrs. McDougall) was appointed. So presumably the assumption in the country is that since the Progressive Conservative Government has come into effect there must be less public ownership in the Canadian economy today than there was, particularly in the federal sector.