

Supply

Mr. Dick: Mr. Speaker, I would like to ask a number of questions of the Hon. Member for Ottawa Centre (Mr. Cassidy). I thought his speech was very interesting. I disagree considerably with his philosophy. I guess that is why we belong to different Parties. It was a decent speech, except for the last three minutes when he got into his more usual strident self and raised his voice to try to show great anger. But until then, the Hon. Member was quite reasonable and intelligent. In his last three minutes he was back into the insane, inane sort of emotionalism which contained a lot of rhetoric and meant nothing.

If 51 per cent of a company happens to be owned by one person, does the Hon. Member believe that that owner of the 51 per cent can do anything he or she wishes? Is the Hon. Member not familiar with the laws of the province, the Dominion and the number of court cases which protect minority shareholders? Does the Hon. Member think the majority shareholder can cream off the assets and do as he or she wishes? Is the Hon. Member not familiar with the law cases which protect minority shareholders? I would suggest that 49 per cent is a rather significant minority. One per cent and 2 per cent have been protected by the courts from rip-offs that might take place.

Second, is the Hon. Member stating a fact that he knows, as he implied when he said that Northern Telecom has plan B, or is the Hon. Member being hypothetical, guessing or making a prediction, or being any of those other things described by weasel words, rather than stating fact? Could he clarify whether he is guessing or whether he knows? Does the Hon. Member have any documentation to back up what he said?

The Hon. Member indicated at the time that \$60 million might come in through plan B, but this would still leave the company with a debt of over \$200 million, which would make it rather difficult for it to carry on unless, which the Hon. Member did not say at the time, he was also thinking the Government would participate to the tune of \$30 million or \$40 million, an amount the Liberals turned down when requested last year?

In the Hon. Member's statement he said that British Telecom is now free to be more aggressive and more innovative. The Hon. Member said it was unproven. Is the Hon. Member implying it is better for British Telecom now that that company has been privatized? Is the Hon. Member differing from his usual socialistic beliefs that the Government always has the best of all possible worlds? Those were the adjectives the Hon. Member was using.

Does the Hon. Member not agree that this tentative offer at this stage has to be approved first by the board of directors of Mitel, then by the board of directors of British Telecom? The offer has to be approved by the shareholders of Mitel, the shareholders of British Telecom, the Canadian Government and the British Government? There are six different groups that have to approve this proposal before finalization. Does the Hon. Member not believe that during that period of time there will be negotiations? Does the Hon. Member not think that there ought to be negotiations? I firmly suspect there will

be. I hope there will be negotiations that will embody most of the rhetoric which the Hon. Member had spoken about, namely, that we have given the company away. I do not think this company is given away at all. Those are subjects for negotiation. I certainly hope that much of that will be protected through the negotiation process.

The Hon. Member also said that he had a fear. Is it his fear, or is he trying to engender fear in the country that the Government is going to give everything away? In fact, the Government if it does support an offer like this, and it has not indicated yet whether or not it does, will be protecting maybe the jobs at Mitel and enhancing the environment by re-employing some of those 600 to 800 people who have been laid off over the last 15 months? After all, Mitel was broke and did not have any money to pursue its marketing to carry on.

Mr. Cassidy: Mr. Speaker, I appreciate the questions from my colleague. I will respond to them as quickly as I can.

First, there are laws to protect minority shareholders, but the stakeholders in Mitel include this community, Canada as a whole, the people who work for Mitel and the companies that supply parts and components. There is a wide variety of people who are stakeholders in Mitel who are not protected by the security laws that ensure that minority shareholders cannot have assets pillaged from them. The minority shareholders may find that their investment is protected, despite the fact that Mitel is transferred lock, stock and barrel to South Wales or to some other part of the United Kingdom. The shareholders alone are not who I am talking about. I am talking about the interests of all Canadians.

Does British Telecom have a plan B and do I know it for sure? I am judging on the facts that British Telecom has announced the unconditional option to take 18.5 per cent. I have spoken to someone at Mitel, but my efforts to reach Mr. Cowpland and Mr. Matthews have failed. I talked to a public relations person at Mitel who simply said that this is the greatest deal since sliced cheese. When we contacted British Telecom in New York, because it has no offices here in Canada, there too the only person we could contact was somebody in the public relations department who was particularly uninformative. Since not much more than press releases have been issued, I cannot say for sure that this is plan B. All I know is that it is significant to me that if British Telecom really thought it could get 51 per cent for sure, British Telecom would not have mentioned it was taking 18 per cent just in case.

What about government participation in Mitel? If Telecom injected \$60 million into Mitel through the minority offer that we have mentioned, then it is not beyond the grounds of reason to believe that there might have been some public money or money from other Canadian companies. My colleague, the Hon. Member for Essex Windsor, pointed out that a lot of Canadian companies were holding back because they wanted a crack at Teleglobe Canada and did not want to commit themselves to Mitel, which has been losing money in the last few quarters while Teleglobe has been consistently profitable.