

Canadair Limited Divestiture Act

● (1240)

I am not for one minute saying that Bombardier is not a viable company and cannot be even more viable. Perhaps I was not clear enough in explaining that one reason for retaining some equity ownership when selling off a Crown corporation is to ensure that there is continuous good management and continued protection of the investment for which you are responsible on behalf of the taxpayers of Canada. The Government should retain some equity ownership in Canadair in order to ensure that Bombardier operates efficiently and competently. The Government is supposed to protect the interests of the investors for whom it is responsible, namely, the taxpayers.

Mr. Blenkarn: Madam Speaker, if my hon. friend is correct, that the New Democratic Party would approve the Bill if we retained equity ownership, did he not know that we are in fact retaining equity ownership? Let me quote what it says with respect to shares:

Series A-\$100 million special shares to be issued by a company, to be incorporated under the name of Bombardier Aerospace, reflecting Bombardier's commitment to use the available working capital of Canadair for the future growth and development of Canadair; Canadair must pay full face value for these shares if the capital is used for other purposes

Series B-\$50 million special shares to be issued under the name Bombardier Aerospace to be offset by future incremental benefits to Canada of Canadair's operation under Bombardier ownership; if not earned out the face value will be paid to the Crown after 15 years.

Does the Member not realize that this is particularly the nature of this deal? That being the case, will he stand up and withdraw his motion that clearly is improper and suggest to his colleagues that they vote for the transaction?

Mr. Benjamin: Madam Speaker, of course that does not provide any significant control. How many people will the Government of Canada put on the board of directors? What say will the Government have in the management of the company? I would like to be here in 15 years to see what, if anything, is recovered on those shares. We will leave that for another day. That is one of many features that should be in the Bill. The deal is simply too easy and the amount is too low for what I believe to be its reasonable book value, its technology value or reasonable liquidation value. I believe that \$120 million is far too low.

Mr. Turner (Ottawa—Carleton): What should it be?

Mr. Benjamin: I would put it somewhere between \$300 million and \$400 million if you took into account—

Mr. McDermid: That is a \$100 million variance.

Mr. Benjamin: If one takes the net book value, estimated technology value or liquidation value, I believe the value is in that range. I believe that is what should be obtained for the taxpayers of Canada.

Mr. Waddell: Madam Speaker, when I rise again to speak in the debate I will deal with these figures which I believe have been bandied about inadvertently. There is a difference between the liquidation value and the technological book value of a company. I will invite Hon. Members to read the Canadair annual report. I suggest we should be careful in our reference to these figures.

However, I want to ask the Hon. Member about the principle that is involved because he is an old hand in the House and a veteran Member who has long been the transport critic for our Party. He is well respected by all sides of the House and by people throughout the country. The Hon. Member is especially knowledgeable in this area of deregulation. All Canadians are interested in this because the Government seems to have embarked on a path of deregulation. I ask the Hon. Member to compare deregulation with privatization, because this is the first time we have debated the new Conservative thrust of privatization in the House. We have seen deregulation in the United States and privatization in Britain. Are these approaches tied together and, if so, will he explain how? I look forward to his reply because the Hon. Member speaks in down-to-earth language which ordinary Canadians can understand.

Mr. Benjamin: Madam Speaker, I must disagree with my hon. colleague about one of his points. He used the word "old". I prefer to say "older".

I suppose this policy is part of an ideological package that has been put forward ever since the days of the proposition 13 syndrome that came out of California some 15 years ago and spread up to Canada like a swarm of grasshoppers. It is all part of the same package. If you are going to privatize a public corporation that is quite heavily regulated—and I am thinking of airlines in particular—it is necessary to give the private sector all the benefits possible to entice it to take over a public enterprise and put it in the private sector. The deal must be made as attractive as possible.

The airlines made it plain to the Transport Committee that if fares and revenues would be deregulated it would be necessary to deregulate the companies and relieve them of public regulations so that they could operate more freely in the so-called open market.

The Acting Speaker (Mrs. Champagne): Resuming debate.

Mr. Blenkarn: Madam Speaker, I rise on a point of order. I believe you intend to recognize the Hon. Member for Vancouver—Kingsway (Mr. Waddell). He has already spoken in this debate and is not permitted to speak again, despite the motion which has been put. The motion dealt with Bill C-25. We are debating Bill C-22. The motion is void and cannot now be put.