

I hope the Hon. Member can explain why this is not breaking a promise, because I think that one of the big problems facing this Government is that people have little confidence in its commitments and promises. I imagine the Hon. Member will rise as soon as I finish my speech.

Mr. Speaker, I just want to say that the sale of Canadair to Bombardier is a giveaway and a waste of public funds.

• (1130)

[English]

**Mr. Blenkarn:** Mr. Speaker, I wonder if we could straighten out the record. The Hon. Member will know that Canadair was bought by the Government of Canada at the insistence of the then Minister of Industry, Trade and Commerce, the former Hon. Member for Saint-Maurice, who wanted to expand and build jet aircraft as a result of conversations with the Lear people. He decided he was going to be a builder of planes and needed a plant so he paid \$46 million for part of Canadair. The rest of Canadair was, of course, left with General Dynamics which even today continues to operate part of the plant. It has an arrangement whereby Canadair pays the salaries but the people are still part of the General Dynamics empire. The Hon. Member might want to know that it is building nuclear submarine parts.

The Government of Canada blew \$2.2 billion on the famous Challenger experiment. Having said that, I wonder if the Hon. Member has looked at the evaluation done by Burns Fry who valued the company at \$70 million? And could he tell us why he thought the sale of \$120 million for cash, plus another \$176 million in notes, shares and so on, which guarantees the continuous operation of Canadair for another 15 years at least, is a bad deal considering the evaluation of Burns Fry.

**Mr. Hees:** What does your legal counsel say?

**Mr. Keeper:** Mr. Speaker, I heard the intervention that I was consulting my legal counsel. I hope that means it is understood that when we respond we have considered what we have to say. I want to remind the Hon. Member that while Bombardier will pay the Government \$120 million for Canadair, experts have valued the company at \$300 million to \$400 million. That is quite a contrast.

**Mr. Blenkarn:** Which experts?

**Mr. McDermid:** Name the experts?

**Mr. Blenkarn:** Tell us the names of the experts?

**Mr. Speaker:** Order, please. The Hon. Member asked a question and the Hon. Member who has the floor is giving a reply. There seems to be some unsolicited questions coming from other Hon. Members. Since this is a time for comments and questions, perhaps other Hon. Members could wait their turn.

**Mr. Keeper:** Mr. Speaker, I want to briefly point out to the Hon. Member—and I hope he would acknowledge this—just why this is a such a sweet deal for Bombardier and why I have

### *Canadair Limited Divestiture Act*

described the sale as a fire sale. Bombardier is paying \$120 million for this company. That is less than the \$300 million liquidation value of the company and less than the \$224 million book value. At the same time Bombardier will receive \$50 million in federal grants in January and another \$30 million to come. There will be export financing of a non-specified amount. It has now the \$1.7 billion defence contract. It has no financial obligation related to the debt of Canadair or its outstanding liabilities and it is going to receive the \$20 million profits from 1985 and the \$2.8 million profits from the first quarter of 1986. What I am pointing out to the Hon. Member is that it is receiving an awful lot for having paid \$120 million and the equivalent of \$20 million in royalty payments.

The Hon. Member described the Challenger in very negative terms. He should realize that Canadair will continue to sell the Challenger, that it is a success, and that it expects to be paying the Government royalties with regard to that aircraft.

**Mr. McDermid:** He did not speak negatively about it.

**Mr. Riis:** Yes, he did.

**Mr. Keeper:** It was hard to see his comment as positive.

[Translation]

**Mr. Lanthier:** Mr. Speaker, I appreciate the comments made by the NDP Member that there are very few Quebecers in this House this morning to oppose the sale of Canadair to Bombardier. That, to my mind, is a shameful comment to hear this morning, and I hope they will have the guts to tell Quebecers face to face that they opposed Canadair's sale to Bombardier. To my amazement, but fortunately, he did not make that speech when our fellow-Quebecers were here in this House, because of course he would probably have been, if not lynched, at least booed down.

Second, this is a typical example of the NDP's peculiar sense of business. Since when do you sell a company when it is in the red? The time to sell a company is when it is hale and hearty. You cannot get good prices for a company when it is going under, when it is ready to bust. Of course, Bombardier was showing good signs. I would say our Minister showed a good sense of business when he sold the business to Bombardier, a Canadian corporation, while it was fit for sale. As you know, the time to buy is not when everyone else is buying. The time to buy is when everybody is selling. And I think that this French-Canadian company from Quebec did a risky thing when it bought that industry with all that was involved.

As I said, I have two comments to make. I would like the New Democratic Party to come to Quebec and tell people whether they oppose Canadair's sale to Bombardier. Second, I would like to know what business principle would require a business to be sold when it is on the verge of bankruptcy rather than when it is hale and hearty.