

taxpayers substantial amounts with de Havilland having operated in the red. (The 1984 loss was \$76 million, with projected losses for 1986 of \$200 million.) With de Havilland to maintain a "world product mandate" under Boeing, advanced aerospace technology would remain Canadian with specific ministerial control needed for the use of such technology outside Canada.

NDP leader Ed Broadbent criticized the deal, noting that special concessions would give Boeing about \$500 million. "Does it make sense to the government that we should be giving Boeing more than twice the listed selling price with Canadian taxpayers' money?" he said. Mr. Broadbent suggested alternatives to proceeding with the deal announced by the government: maintaining de Havilland as a subsidized Crown corporation; having de Havilland and Boeing form a joint venture; or having the government more vigorously pursue Canadian buyers (*Globe and Mail*, December 4). Mr. Broadbent challenged the projected losses for future years provided by the government, citing profit estimates provided by US aerospace analysts. "The government is trying to suggest the deficit position of de Havilland would continue much longer than what other assessments are saying," he said (*Globe and Mail*, December 5). Both Liberals and New Democrats demanded all documents relevant to the proposed sale, especially government-ordered privatization studies.

Commons debate on the sale carried through December, with opposition members calling for both committee review and clarification on government concessions. Treasury Board President Robert de Cotret continued to characterize the sale as a "good deal" for Canada, referring to increased job security (through the world product mandate), guaranteed retention of Canadian technology and increased research and development at de Havilland. Speaking December 13, Mr. de Cotret stated that "when the deal was concluded all the details would be available in committee." By December 17, Liberal leader John Turner was still questioning the government's figure of \$200 million in projected losses for 1986, citing the prospectus issued to all prospective purchasers of de Havilland which quoted a loss figure of \$14 million for 1986 and a profit figure of \$5 million for 1987 — with continued increases in coming years. The prospectus had also indicated that "no additional equity funds are assumed beyond 1985" — unlike the estimated \$125 million announced by Mr. de Cotret. On December 18, Mr. de Cotret explained the difference by stating that the figures had later been revised by de Havilland.

Following continued opposition appeals for committee review (and threats to bring House business to a standstill), on December 19 Regional Industrial Expansion Minister Sinclair Stevens stated in the Commons that the government was not opposed to committee consideration of the de Havilland deal. At an "appropriate" time, the committee would be provided with necessary information, "other than that which might have some commercial sensitivity," the Minister added. This could now precede completion of the sale process since final closing had been postponed until later in January.

With the committee established by mid-January, criticism shifted to the presentation of testimony. Both opposition parties criticized a committee decision to delete

names of witnesses, many of whom were opposed to the de Havilland sale, proposed by the all-party steering committee. During a heated exchange January 17, opposition members accused the government of preventing "full discussion" — something promised in Mr. Stevens's December offer. Once again, NDP leader Ed Broadbent threatened to bring House business to a halt. Faced with a possible parliamentary deadlock, the government announced a tentative agreement whereby opponents of the de Havilland sale to Boeing would be heard by the committee. The opposition parties had indicated their intention to hold separate public hearings for those witnesses barred by the committee (*Globe and Mail*, January 20).

Rejecting calls for delay, Mr. Stevens stated in the Commons January 29 that the opposition had been provided with an opportunity to voice its concerns over the sale and to examine all relevant documents. With the approach of the 90-day timeframe for a decision, the government proposed to "go ahead with the closure." With de Havilland requiring another \$60 million in the present quarter, he added, delay would necessitate a government expenditure to cover that \$60 million in fresh capital.

### Freer Trade

#### Provincial Role

With the opening of freer trade negotiations between Canada and the US during this 2-month period, the exact role of the provinces had still to be clarified. The communiqué issued at the conclusion of the November First Ministers' conference had guaranteed "full provincial participation," but divergent views emerged as to whether this entailed a provincial veto (see "International Canada" for October and November 1985). Responding in the Commons December 2 to requests for a clearer delimitation of provincial influence, External Affairs Minister Joe Clark responded that the federal government invited provincial "participation" rather than mere "consultation" in the formulation of the negotiating mandate. The "manner of implementation" would be determined following the "preparatory phase" during which time a "clearer picture" of the US response would have been gained. While the Minister reiterated that the provinces would retain a veto over matters under provincial jurisdiction, no mention was made of federal-provincial status with regard to instructing chief negotiator Simon Reisman. Mr. Clark later told reporters that most final decisions, especially with regard to areas such as cultural industries, agriculture and the Auto Pact, would be federal. Provincial authority, he added, would remain unclear until the actual processes of the negotiations had been established. However, the government would not "hinder" the talks by restricting its own rights, and intended to proceed in a "responsive and effective" manner (*Toronto Star*, December 5).

A 90-day consultation period between the provinces and the federal government (with Mr. Reisman and the External Affairs and International Trade Ministers in attendance) began December 4. Speaking in the Commons December 3, Prime Minister Brian Mulroney indicated that these consultations would produce agreements determining "how best to give effect to the principle of full provincial participation" in subsequent phases in the negotiations. Mr. Mulroney emphasized that the primacy of the federal