

Canadair Limited Divestiture Act

I want to say something about my one experience with Bombardier. The Minister of Industry, Trade and Commerce in the former Government, Mr. Lumley, made it a practice that when he made a trip he would take one or more Members of Parliament with him, from opposition Parties as well as the government Party. He took me with him on a trip to six countries in 11 days in East Africa. He closed some \$80 million or \$90 million worth of contracts with different Governments. When we were in Nairobi he asked me if I would have a look at their railway operations. The government people there were very good. They escorted me and two or three others through the fully-modernized railway shops. They had the latest technology and equipment supplied by West Germany and Sweden. There were 15 locomotives there which had been built in Canada. Immediately one feels good about that. However, at that point in time, February of 1982, 12 of those locomotives were on the ground. They had been bought from Bombardier 10 years earlier. The main generator of each locomotive, made by Canadian General Electric, did not work. All the welding around the fuel tank, which is also the walkway around the locomotive, had cracked. For the information of my colleagues who are not acquainted too well with locomotives, the Bogie is the cast iron framework which holds the wheels of a locomotive on. The Bogies were made by Algoma Steel. They cracked. At that point none of those three companies, not a damn one of them, had paid a nickel under warranty or fixed the problems. That country cannibalized three of the 15 locomotives and used the parts to get the other 12 running. It was the most embarrassing experience.

Mr. Turner (Ottawa—Carleton): Whose fault was that? CIDA? Who was responsible for maintenance?

Mr. Benjamin: Bombardier was the manufacturer of the locomotives. To this day I do not know whether that country has been properly recompensed for our default of a normal contractual obligation.

● (1230)

West Germany bought three Challenger jets which I understand have been grounded in West Germany since February because Canadair was unable to supply maintenance manuals properly translated into German. As a result, West Germany has withheld \$60 million of payment for those Challenger jets. If that is true, why is it not shown as an account receivable on the books? If it is an account receivable, who will receive the money? If West Germany is finally satisfied with the translation of the highly technical maintenance manuals and pays the \$60 million, who will receive the money? I hope the Government will answer that question if and when this Bill goes to committee.

I submit that those funds should go to the people of Canada as some compensation for the \$1.2 billion of long-term debt imposed upon them. For your information, Madam Speaker, the people who wrote the maintenance manual for the Challenger jet are writing the maintenance manual for the CF-18. That should be checked out very carefully.

I would like to say a word about the general thrust of the Government's action in this instance, which is all part of its

policy of privatization, deregulation and free trade. It will cost us dearly. One need only ask the folks in Sault Ste Marie and London, Ontario, who have lost their Air Canada services, what they think of deregulation. I predict that places such as Yarmouth, Nova Scotia, Sudbury, North Bay and Thunder Bay will not long receive the services of Air Canada or those of the other national airline. I suggest that Windsor, Ontario, is probably not very safe either. I suggest you ask the folks in Edmonton what they think of deregulation now that they no longer have any direct flights from Edmonton to Ottawa. Edmonton is only a little village of about 650,000 people. In addition to having to change aircraft, one may now also change airlines. So much for the privatization-deregulation thrust.

I move, seconded by the Hon. Member for Humboldt—Lake Centre (Mr. Althouse):

That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:

Bill C-25, an Act to authorize the divestiture of Canadair Limited and to provide for other matters in connection therewith, be not now read a second time but that it be read a second time this day six months hence.

Mr. Waddell: Madam Speaker, I rise on a point of order. Before beginning debate on this motion, what becomes of the period for questions and comments with respect to the speech of the Hon. Member for Regina West (Mr. Benjamin)? I would like to ask him a question.

The Acting Speaker (Mrs. Champagne): I will allow Hon. Members to ask questions or make comments on the speech of the Hon. Member. We will then begin debate on the motion of the Hon. Member for Regina West (Mr. Benjamin).

Mr. Blenkarn: Madam Speaker, would the Member for Regina West (Mr. Benjamin) advise the House whether it is his opinion and that of the New Democratic Party that Bombardier is such an incompetent company that Canadair should not be sold to it? His remarks with respect to his tours of East Africa indicated that. Having made that connotation, could the Member tell us whether the New Democratic Party is opposed to the sale of Canadair to Bombardier because Bombardier is incompetent? Is that the view of the New Democratic Party or only of the Member who castigated Bombardier because of certain locomotives he saw on his travels around the world?

Mr. Benjamin: Madam Speaker, as the Hon. Member will recall, I told the House that I wished to relate my one experience with the products of Bombardier. I did not say it was a bad company or that it was badly managed. I believe it was bad in that particular case but, to be completely fair, it inherited some of its badness from M. L. Worthington Locomotive Works, CGE and Algoma Steel. However, that has nothing to do with the lack of viability of Bombardier. I think it is a viable company and it has manufactured many good products. I remember riding in the first snow vehicles made by Bombardier. They had a cab and were much bigger than the snowmobiles they presently make. I believe that Bombardier was one of the originators of that vehicle.