

*Canadair Limited Divestiture Act*

● (1650)

In return for that \$120 million, Bombardier is getting \$300 million to \$400 million in technology, \$50 million in federal grants in January plus another \$30 million later. It will be receiving export financing, the amount of which has not yet been specified. Furthermore, Bombardier will get the \$1.7 billion defence contract.

Bombardier has no financial obligations related to Canadair's debt or outstanding liabilities. In other words, it is ready to reap the benefits of the profit-making capacity of Canadair without any responsibility for its liabilities. It is also getting \$20 million in profits from 1985 and \$2.8 million in profits for the first quarter of 1986. It is not a bad deal when one considers that purchase price of \$120 million and the equivalent of \$120 million in royalty payments. Bombardier is receiving many benefits for taking Canadair off the Government's hands and serving as an example that privatization works. This sale amounts to a giveaway.

I want to deal with the aspect of the Canadair and Bombardier deal that is of most interest to the people of Winnipeg. It concerns the awarding of the CF-18 contract, which raised a lot of questions in Winnipeg. People wonder why the contract went to Canadair in Montreal when Bristol Aerospace in Winnipeg won the bidding process. The 75 departmental experts rated the Winnipeg bid higher and, in all fairness, the contract should have gone to Winnipeg.

Why did it go to Montreal? The explanation given by the Government in the House on the day of the announcement was that of technology transfer. Was the decision based on reasons such as regional development and national interest, or was it part of the original deal to sweeten the pot for Bombardier to obtain Canadair?

The Government said that the contract went to Canadair in Montreal because Canadair had the capacity for technology transfer. Unfortunately, that reason was given as a last minute explanation rather than being an original consideration when the contract bidding process began. That raised doubts about the credibility of the explanation as to why the contract went to Montreal.

The bids, as presented to us by the Government, were very close. However, the Government used this as a reason for giving the contract to whomever it wanted. I suggest that in any race, whether it is a bidding race or a foot race, when there are excellent competitors the gap between the winner and the loser is often very narrow. Bristol Aerospace in Winnipeg should have rightly been awarded the contract because they won the bidding process. However, it was taken away with the last minute rationalization of technology transfer.

Let us consider other explanations for awarding the contract to Canadair. Was it on the basis of regional development? Let us examine the Prime Minister's (Mr. Mulroney) comments to Premier Pawley of Manitoba about regional development, in which he compared Manitoba and Winnipeg to prosperous

Ontario. He said that the economy in Manitoba was throwing off benefits like the economy in prosperous Ontario. If that is his conception of what it is like to live in a have-not province like Manitoba, perhaps we can understand his lack of appreciation that Manitoba also needs consideration in terms of regional development.

Was the decision to award the contract to Canadair in Montreal based on national unity? I suggest that national unity has two sides. People in western Canada are distrustful of the federal Government and unfortunately are losing faith in the political process. This decision has contributed to that cynicism that exists in western Canada. If this was not an original consideration in selling Canadair to Bombardier, the Government should have examined this in more detail and perhaps considered sharing the work between Montreal and Winnipeg by repairing some aircraft in Montreal and some in Winnipeg. Some aircraft are already being repaired in Europe, so it is possible to divide the work among Canadians rather than create a situation in which there are winners and losers, with resentment by people who feel left out of the political process.

We must remember that the Government was elected by western Canadians who felt that they would be part of the political process.

In conclusion, this sale of Canadair to Bombardier raises many questions. Was the CF-18 contract part of the original deal, although obviously not made public? How sweet is the deal that was given to Bombardier to take over Canadair? Why is the Government giving away a company when it is making a profit? It is a questionable fire sale deal and it is time for the Government to lay all the documents on the table and let us see the original documents that made it possible for the Government to give away Canadair in a deal with Bombardier.

**The Acting Speaker (Mr. Paproski):** Is the House ready for the question?

**Mr. Waddell:** I have a question Mr. Speaker.

**The Acting Speaker (Mr. Paproski):** There are questions and comments. The Hon. Member has one minute. If the Hon. Member does not conclude his remarks, there will be nine minutes left for questions and comments the next time the Bill is called. The Hon. Member for Vancouver Kingsway (Mr. Waddell) has 30 seconds in which to ask a question.

**Mr. Waddell:** Thank you, Mr. Speaker. The Hon. Member can answer with a yes or no. Did he read into the record the part of the job statement in which Bombardier says that it is committed to maintaining existing levels of employment at Canadair, subject to cyclical shifts and sound business practices, and will pursue new programs and opportunities so that the level of employment at Canadair and its suppliers will increase. Does he agree that there are more escape holes in that clause than meet the eye and that it is not really a good job guarantee for the workers?