

Canadian Arsenals Limited

● (1630)

[English]

He is the head of the privatization secretariat of Treasury Board. He is also assisted by a Mr. Basil Beneteau who recently retired as Vice-Chairman of Northern Telecom after a career in telecommunications. I want to quote those gentlemen because they say some interesting things about the sale of Canadian Arsenals. One quote reads:

"It was a horse race to keep up with the transactions in progress and build a strategic framework," says O'Toole.

I am quoting from the *Report On Business* magazine of December 14, 1985. It goes on to say:

"I thought I was going to go nuts about August with the fifth round." For the potential buyers, every bid revision added to their costs, simply because the Government had not done its homework before putting Canadian Arsenals on the block. If the Tories had either adopted the approach recommended by their own task force or the one developed by the Treasury Board secretariat, such problems could have been easily avoided.

That is what I mean when I talk about amateurism. The Tories simply had not done their homework. They had not thought about the employees' benefits. They did not even give a thought to them. You would think that an employer, someone who cared for his employees, would at least think of the conditions into which he is going to be putting those employees if he sells the company. The Government did not do that. It is the same thing over and over with members of this Government. They do not do their homework. They state the facts in the House—they did that on takeovers and on privatization—but it is time they started to get their act together and get this thing going on the right track. Otherwise, the first thing they know they will be in opposition again. God bless them all, they are good at that and I wish them very well.

Mr. Dan Heap (Spadina): Mr. Speaker, I am very pleased to have a further opportunity to consider this Bill and speak on the motion of my hon. friend which would extend the proclamation date until 1989. That might seem excessive to a few people on the opposite side of the House who wish to comment on the need for better consideration. However, this Bill is likely to be a model or precedent to be followed if this Government is hell-bent on its plan for privatizing everything it can lay its hands on, everything the Canadian people have created through Government action over the past years. Therefore, it should be well considered. We should look at the issues underlying it.

There are broadly two issues. They cannot be handled in a hurry, without better public consideration than has been given. The most important issue has barely been addressed by this Government or this legislation. That issue is the question of who created the company. Who created the wealth of the company? Who made it a viable, profitable operation? Who made it worth selling or worth buying?

Mr. Bradley: NATO.

Mr. Heap: In my mind it was not NATO, as one of the clowns opposite has suggested. It was the working people in

those factories who made that company viable. I worked in a factory for 19 years and I know that, in a pinch, the manager of the factory had to acknowledge that if production was to be brought up and kept up to a standard, it was a matter of the morale of the workers involved. Management could have all kinds of schemes and plans and spend all kinds of money, but efficient production depended on the workforce in the factory. Whether it is the immediate workforce currently producing, the equipment, material and power resources provided, or whether you take it back a step further to those who produced the plant, the power resources and the materials, it is the workers involved who made the company viable. Management did not get out there with a hammer and saw and build it. The owner did not get out there with his hammer and saw and build it. It was the workers who produced the plant and it is the workers who produce the products from that plant. This is a point which is commonly ignored. It is a point which is becoming more and more of concern to working people in Canada. They produce this wealth which is then traded and traded and traded in these high-level financial deals which make absolutely no sense of the work the workers are doing. Very often it even destroys their work. Certainly it very often destroys their opportunity to go on working. That is why there should be full consideration given to the people who in fact produced the wealth that made this plant worth talking about and worth buying or selling.

● (1640)

On the other side of the coin, the other consideration deals with the finagling that was done in the process of selling this plant. Some questions have been raised, but I do not think adequate answers have been given.

It may take time to dig out these answers to the questions that have been raised about the process that the Department of Supply and Services used in arranging the sale. I admit that the Department of Supply and Services is not as used to selling as it is to buying. Previous Members have said that the Department was probably an amateur at selling. That is the Government's problem. If it has decided to embark on a reverse process and disperse the wealth that has been built up by the Canadian people through the action of Canadian Governments, it should consider very well not only why it will do it, but how it will do it.

We are told, for example, that dozens of companies expressed an interest in buying Canadian Arsenals, but only six of them were asked to submit final money offers by a deadline of November 19. What we are not told is why all the others were dropped. We are told that those who did submit bids were pressured into submitting revised bids not once, twice but three times between July and November 19. The Department of Supply and Services kept dickering with them and changing the story.

That is not a normal bidding procedure. As part of the city council of Toronto, I obtained some familiarity with the normal tendering and bidding procedure and that is a very