

look at the profit potential for the years ahead. The profits of Canadian Arsenals in 1980-81 were some \$3 million. In 1984-85, the profits were \$11.3 million. In 1983-84 the profits were \$8.5 million. In 1982-83, the profits were \$6.9 million. And in 1981-82 the profits were \$5.3 million. So the equity of the company has risen dramatically. The assets have risen from \$42 million in 1980-81 and \$126 million in 1984-85. That kind of profit picture and increase in assets should only make us more cautious about receiving a better price for this company.

Those are some of the questions we would like to see answered. I think there is also great concern about the way in which the Department of Supply and Services has handled the bidding process. Apparently it was done by word of mouth. There was no proper tendering procedure with respect to calling for bids across the country. Half way through the process of getting the bids, which was done in a very amateurish way, the company indicated that the sole criterion for selling the company would be the price paid. Surely, there are other considerations which we should take into account; whether the employees are going to be treated fairly with respect to pension rights and so on, whether the company is going to expand, and whether it is going to maintain its Canadian ownership. There are a lot of other things besides just the price which need to be considered.

The Public Service Alliance has certainly expressed its concern with the sale of this Crown corporation. The Department of Supply and Services has never consulted the Public Service Alliance as to what arrangements would prevail with regard to the 800 employees. Surely, that is an important matter. We require minimum consideration for private corporations. Surely, consultation with the union would have been appropriate. I do not think that would have been an insurmountable problem. At any rate it would have been an important courtesy to extend.

● (1310)

The whole rationale behind the Government selling Crown corporations should have been brought into play in the sale of this company. There are a number of points which need to be considered with respect to it.

The Government seems to be moving in a disjointed fashion, as I indicated before, with respect to the sale of all Crown corporations. For example, we have heard that the Government is moving privately and quietly to sell off a small Crown corporation in Montreal. I refer to a small fumigation company. This company has amazing importance in regard to the export and import of Canadian wood and food products. Yet when one makes inquiries with respect to this company one can see nothing but mist and fog clouding the position of the Government. I am sure sometime later this year we will hear that the Government has decided to sell off this corporation in Montreal without the calling of tenders. We will learn that it has worked out a private deal with some purchaser without any public announcement being made. This will cause us to end up with a very unsatisfactory arrangement regarding the certificates required for the import and export of food and

### *Canadian Arsenals Limited*

wood commodities, amounting to some \$50 million to \$100 million a year. We will learn that the company has been sold for a bargain-basement sale price as well.

The price of \$92 million for Canadian Arsenals Limited may well be a fair price. According to the information given by the Minister of Supply and Services the price is within the range set out in the Arthur Andersen report. However, we have not seen the report. If we were to see the report then perhaps we would not be questioning the price. I cannot see why the Government is not prepared to make the report available to Members of the House at second reading stage. It is at this stage that we enter into the whole question of government policy.

With respect to the de Havilland sale, we saw the Government sell off an \$800 million corporation for just \$95 million. That is essentially the price of one 747 jet airliner rolling off the production line of the Boeing Corporation in Seattle, Washington. It seems to be an incredible bargain. Yet the profit potential is tremendous, especially when one considers the sales force of the Boeing Corporation around the world.

It seems that all Crown corporations which have any potential for making a great deal of profit are being sold off at bargain-basement prices. It would seem to me that if we must sell Crown corporations we should try to make some real profit on the sales. Obviously, those Crown corporations which are not making a profit will have to be knocked down in price. We see companies, such as Canadian Arsenals which is making a real profit, being sold off at modest prices, or perhaps even bargain-basement prices. However, we do not really know because we have not had access to the Anderson report. Certainly with respect to the sale of de Havilland to Boeing, and now with respect to Canadian Arsenals Limited and other comparable Crown corporations with good potential for profitability, we see them being sold off at bargain-basement prices.

As the debate continues on this issue I hope the Government will make the report available to us. It is essential for us to have the report in order to see just how much the Government expects to make. We should see whether or not this is an adequate price. The report should be made available to us.

In the letter from the Minister of Supply and Services to the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) the Minister gives some information about the Anderson report. The Minister also indicates in his letter that he is willing to show the Hon. Member the report privately, but is not willing to make it available to all Members of the House. I wonder why such a decision would be taken by the Minister. Perhaps the Parliamentary Secretary to the Minister of Supply and Services (Mr. Bradley) can clarify why the Minister is willing to make the report available to some Hon. Members on a private basis but not to all Hon. Members for consideration at second reading.

The information which is available seems to indicate that this corporation with 800 employees, which has a guaranteed market in that some 90 per cent of its products are sold to the Department of National Defence, and which has a back-log of \$200 million in orders, and whose sales are projected to double