

The Government is selling off the assets of the company and the Canadian Government's only access to munitions without even having the decency to table in the House the corresponding documents.

It could be argued that there is some question of national security involved. Heaven knows, the Government invokes national security at will when it suits its purposes. If that is the case, however, why did the Minister, in a letter to the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), who has been questioning the Government on this issue since the announcement of it, tell the Hon. Member that he could see the Arthur Anderson report privately in the Minister's office but that the Minister was not prepared to make its contents public? What is there in this particular document that makes the Government so fearful that it cannot make it public? Is it another example of a de Havilland Giveaway? Is it in fact because the Anderson report shows that the profitability of this company is not only increasing but that the notion of having a Crown-owned manufacturer of munitions is in the interests of Canadian security?

The Government has indicated that it will have the supply question dealt with by making sure that SNC is a 75 per cent Canadian-owned company, and that is wonderful. However, we saw with Mitel that when the Government gives up its interest or in fact is prepared to sell out, there is never any guarantee in the long term that the company will remain in Canadian hands. On the other hand, there is certainly no guarantee that even a Canadian-owned company would always act in the best interests of the people of Canada. Presumably the Canadian Government would act in the best interests of the people of Canada, and that is why a company like Canadian Arsenals was launched as a Government Crown corporation.

The biggest buyer of Canadian Arsenals products is the group known as the taxpayers of Canada. On the one hand, we are the biggest buyer of the company's products. We are selling out our interest and turning it over to SNC, which in fact is now going to be in a position of having a major monopoly on the issue of munitions for Canada. The company is being sold and we are not even prepared to come clean in the House of Commons about the actual value of this company which has shown a remarkable and, indeed, one might even say a miraculous economic growth in the last seven years.

The Government had been prone on a number of occasions to pointing to the fact that the so-called non-profit-making Crown corporations are adding to the deficit. We heard the President of the Treasury Board (Mr. de Cotret) jumping from one figure to another trying to justify the giveaway of the de Havilland Corporation. When the figures were finally tabled in the House, they belied every statement made by the Government on the sale of de Havilland. We will not be able to have the same scrutiny of this particular sale to SNC because we do not even have access to the documents.

It is unfortunate that most members of the public do not understand the function of Canadian Arsenals. They do not know that it has been a profit-making company. They do not know that its prime user happens to be the Government of

Canadian Arsenals Limited

Canada for the people of Canada. These munitions are made by a Crown corporation which employs people through the Government of Canada. Ninety per cent of its products are sold to the Canadian Government for the people of Canada. Now the Canadian Government is divesting itself of that company without even having the courage to come to the House with the documentation that shows that we have to get rid of this boondoggle. But it is not a boondoggle, it is in fact a very profitable company which has responded to the Conservative mandate by recognizing the bottom line.

Since the establishment of Canadian Arsenals in 1949, we have seen an incredible increase in its move toward profitability, particularly in the seven-year plan that was established in 1977-78. We also see the future for Canadian Arsenals. The selling price is \$92.2 million, \$87.5 million for the shares and \$4.7 million for the debt owed by Canadian Arsenals to the federal Government. Sales in this particular company are projected to double in the next five years. There are currently \$200 million in backlogged orders with the company. If my mathematics are correct, with \$200 million in backlogged orders and a selling price of \$92.2 million, SNC has just gained over \$100 million in guaranteed orders without even having to table its fiscal plan for the company in the House of Commons.

This is a giveaway. It is another indication to the Canadian people that the credo of privatization espoused by the Minister of Regional Industrial Expansion (Mr. Stevens) and followed by every other Conservative Minister does not always work. There are times when there is a role for the public sector to play in the economy. Surely the sole source of munitions supply for the Government is quite clearly one area where there is a public interest in having this company remain in public hands.

• (1210)

It was the decision of the Minister of Supply and Services some three years ago to analyse the situation. He said that in light of the security implications of the particular company it was important that it not only be Canadian owned but that there be a direct government interest, that it be a Crown corporation. The Government has washed its hands of that particular analysis without being prepared to say in the House of Commons just why, or for how much or for what reason it is selling the company.

[*Translation*]

Unbelievable as it is, Mr. Speaker, the corporation has a back-log of \$200 million in orders, yet SNC is offering only \$92 million, which means that in excess of \$100 million are there for the corporation.

The Government keeps talking about the deficit and, among other things, it is urging young families to accept cut-backs in family allowances and wants average Canadians to pay 3 per cent more in federal sales taxes, and that might work out to over \$1,000 a year per family. We can see the difficulties created by this Budget and previous Budgets as well. The