

Canadian Arsenals Limited

and great friend of the United States who may have to rescue another dictator.

If Canadian Arsenals Limited is turned into a monopoly in the private sector, is there not a great danger of our becoming one of the purveyors of destruction in the world by selling arms to places like Chile, as a result of the desire to multiply profits rapidly through the sale of very dangerous munitions?

Mr. Cassidy: Mr. Speaker, there should be enforceable terms in the agreement of purchase and sale to ensure that Canadian Arsenals Limited does not sell to any of the developing countries of the world where these brutal and vicious wars are taking place, with tinpot dictators being supported by the United States and their henchmen in these affairs which, I am afraid, is the Canadian Government in many cases. Furthermore, Canada should take the lead and make it a general policy that we will not sell defence equipment to countries like Chile and other repressive regimes like South Korea and South Africa, but will use our moral influence throughout the world to make sure that all arms manufacturing countries support our view and will not encourage and support those acts of repression by dictatorial Governments. That is the type of lead Canada should be taking in the world.

Mr. Maurice Foster (Algoma): Mr. Speaker, I welcome this opportunity to say a few words about Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited. This Bill to dispose of the Crown corporation is required as a result of the Crown corporations Bill which was passed in the last Parliament. According to that legislation, Crown corporations that were established by an Act of Parliament must be formally wound up by an Act of Parliament. Furthermore, that legislation requires the provision of a five-year corporate plan.

As we consider the annual report of this Crown corporation and its five-year corporate plan, it is very interesting to see that this is a Crown corporation that is making a lot of money and has good prospects for success and profits in the future. Therefore, it brings into question the Government's policy on privatization of Crown corporations.

The Government's policy seems to be to dispose of all Crown corporations. However, let us consider Petro-Canada. When the Government was in opposition it forcefully opposed the formation of Petro-Canada in every way. The Conservatives opposed the legislation forming Petro-Canada and they opposed the take over of Petrofina and BP. However, last fall Petro-Canada provided an additional contingent liability to the federal Government of almost \$1 billion when it took over some 1,800 gas stations in Ontario and western Canada. Many people, especially Tories, were very upset about that. Certainly, I believe Hon. Members from Calgary and Alberta could not understand what the Government was doing with regard to its privatization policy when a Crown corporation like Petro-Can expands its operations by over \$1 billion.

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Our caucus can only ask the question: What is the Government's policy? Is it to sell companies which are making a

profit and to keep the companies which are losing money? Many Canadians, especially those of Conservative persuasion, wrote to the Prime Minister (Mr. Mulroney) last fall and asked why the Government was expanding Petro-Canada by 1,800 gasoline stations across Ontario and western Canada, adding an additional liability of \$1 billion. The Prime Minister's response was that Petro-Can operates pretty much in the private sector and the Government does not really have any say over its corporate policy. It is very interesting to contrast the policy of the Government in relation to Petro-Canada and its policy with regard to selling off Crown corporations. The policy seems to be to sell off Crown corporations willy-nilly, but in some cases, as in the case of Petro-Can, to expand them. If so, the logical question is, therefore, are only the companies which are making money going to be sold? That seems to be the case with the SNC purchase of Canadian Arsenals.

Canadian Arsenals has been in business as a Crown corporation since 1945. It has two plants, one in Montreal and one in Quebec City. It employs some 800 people. Its sales have doubled in the last five years to some \$200 million a year. It looks like a very profitable company. It has sales orders for some \$200 million over the next year or so. Yet, there are other Crown corporations such as Eldorado Nuclear, which are losing money at the present time, and in the case of Eldorado Nuclear this is partly due to Government policy of not further upgrading the uranium industry in this country. What are the prospects of selling those kinds of companies? It does not seem very good at all.

What really concerns our caucus with the sale of Canadian Arsenals for some \$92 million is that we would like to be able to assess whether or not that is a reasonable price. The Government has that information. The Prime Minister made an outstanding speech in 1983 and 1984 when he was the Leader of the Opposition. He spoke about freedom of information and how the Government was going to be open with Parliament and with the Canadian people. Yet, in the case of this major disposal of a Canadian Crown corporation, it is secretly hiding the information on which this House can make a decision. Our Party would like to see the report of the Arthur Andersen Company, a reputable company, which has estimated the value of the company at some \$80 million to \$98 million, a range of \$18 million, to see whether the price of \$92 million is reasonable. For the life of me, I cannot understand why the Government would not be prepared to give this report to the House of Commons, and to the Canadian people, at this time. The Minister of Supply and Services (Mr. McInnes) offered to show the report to a Member of our caucus in the privacy of his office but is not willing to make the report open and freely available to the House itself. I believe the report should be made available to the House before we pass second reading of this Bill because it is fundamental to the value of the company and to what the opportunities are for the Canadian people. We want to know whether an adequate price is being offered for this company.

The next point I would like to make is that it seems to me that in selling a Crown corporation of this nature we should