

Some hon. Members: Carried.

[English]

**Mr. Peters:** Mr. Chairman, as a result of inquiries I made since last night I am concerned about the closing of the Haley operation as a crown corporation and the other arrangements which followed. I am surprised and disappointed that the hon. member for Swift Current-Maple Creek is not with us today because he raised a very important question in relation to this matter.

After looking at the act I am convinced that the minister was correct when he suggested that he had the right to make the arrangement he did but I am wondering whether the arrangement was appropriate. I drew the inference last night that there is a similarity between this operation and other crown corporations which could be sold in the same manner if the government so desired. I have never been satisfied about the method of sale engaged in by the war assets corporation, later the Crown Assets Disposal Corporation, in that it seems to be a wholesale operation. I realize it is difficult to retail an entire plant of this type. However, when certain of my constituents have wanted to purchase a jeep, a land rover or a Bren gun carrier to be used in a tourist operation they were informed they would be put on the list provided they could prove financial responsibility and were told that the equipment would be sold in blocks of perhaps 50 units. It does not seem to be in our interest to offer blocks of 50 Bren gun carriers, 20 Sherman tanks or other lots of equipment in this way. I suggest that the difficulties resulting from that type of sale are greater than the difficulties involved in selling single units at a reasonable price. While I agree that the minister has a right to make the arrangement he did, I am not sure we should operate on that basis.

The hon. member for Renfrew North made some very interesting observations and was obviously pleased that this plant was continuing in operation. I agree that it should continue to operate. But it seems to be strange that the corporation should sell this plant to a private operator and expect that operator to carry on the operation successfully without the advantages that a crown corporation would have, particularly when we realize that when the company was operated by the corporation it was unsuccessful.

From my own experience I can say that it is very difficult to establish an industry in

#### *Supply—Defence Production*

either Renfrew North or Renfrew South and it has been very difficult to keep the industries going that were established there on a wartime basis. Most of these plants connected with the aircraft industry have been in difficulty ever since they changed over to peacetime production. It seems to me that a crown corporation would have a better chance of success because the government could direct certain purchase orders to that corporation. Purchases from private industries by the government must be done on a tender basis, or this reason I fail to understand the enthusiasm of the hon. member for Renfrew North in relation to the plant being turned over to a private operator on the basis of a very short term guarantee.

The minister was quite frank regarding land values and the potential in this area. We are all convinced that federal assistance will have to be given to maintain employment and the standard of living in this section of the country. While the minister has some responsibility in relation to the assistance provided in that area he is not involved as Minister of Defence Production in all the assistance programs. This area has a surplus of labour. We have been able to train highly skilled labour in specific areas of production who are capable of doing work such as is done in operations like de Havilland and in other areas where the Department of Defence Production has established operations with government subsidies to produce instruments and other things for the Department of National Defence.

It would have been wise for the hon. member for Renfrew North to have considered this whole operation in terms of a government contribution to the area to help maintain the labour force there. Surely a crown corporation could adapt to the changing circumstances if a private operator can do so in this area. The new company is required to operate for two years and it will be operating in exactly the same field and with the same facilities as the Haley operation.

It has been suggested that the plant and the machinery are quite old and that the operation is antiquated. Apparently the plant cannot be modified in order to perform some other function than that for which it was designed. If this is the case it would seem to me that the hon. member is very shortsighted in not looking at what has developed in other areas and realizing that this type of operation must have assistance and must have government orders.