

Canadian Arsenals Limited

ment. It is not prepared to tell the taxpayers the value of the company which we are now about to divest ourselves of as a result of its credo of privatization. It has so blinkered its eyes to the benefits of some Crown corporations that it is not prepared to even submit to public scrutiny the Arthur Andersen report which assessed the value of the over-all picture of Canadian Arsenals Limited. In fact, if one were to look at the most recent annual report of Canadian Arsenals dated March 31, 1985, one would see that during the tenure of the Conservative Government—so it cannot be said that this is a sneaky Liberal document—this Crown corporation had embarked upon a plan which was succeeding. This was a plan which was not only buttressing our development of high technology in Canada, but which was looking at the whole notion of increasing exports.

We know that when the Prime Minister (Mr. Mulroney) heads off to the “Sham” rock summit in about a week from now he will be talking about increasing our exports.

[Translation]

For the first time in its history, Mr. Speaker, if we take the time to read the Annual Report for Canadian Arsenals Limited, for the first time in its history, this corporation has exceeded \$100 million in sales and \$10 million in net profits.

Going back to the year 1977, we know that at the time, the corporation was not in good financial health. A decision was made to set up a project which in fact was ordered by the previous Liberal government. They decided to revamp a plan in order to make the corporation a profitable concern.

In 1977-78, there was a net deficit of \$1.2 million. The corporation's sales in that year totalled \$8 million, and it was expected the deficit would be a problem.

But if we look at the last seven years, Mr. Speaker, the results of the corporation's plan for 1984-85 show that the mandate given in 1977 to make Canadian Arsenals a viable and financially independent enterprise, capable of attracting private sector investment, has been met in all respects, according to the highest private sector criteria—which is the goal of this Conservative Government.

This Government was expecting to pay a supplement to ensure the security of supply of military equipment in Canada. In fact, according to the Minister responsible for Supply and Services, the decision represents a saving, not including the economic spin-offs for the country in terms of the creation of hundreds of high-paying jobs in an advanced technology sector.

Mr. Speaker, finally, the corporation has made tremendous progress during the last seven financial periods. Today, according to the *Financial Post 500*, the corporation ranks 470th on sales and third on growth of net profits over the last five years.

If we look at advanced technology, for instance, we know that during the election campaign, the Government promised to double the funding for advanced technology research.

We see that in this corporation, of which the Government is now divesting itself, advanced technology within the corporation represents \$86.6 million of a \$103 million turnover, and we can better appreciate this when we see that this breaks down as \$28 million for new products, \$2 million for new filling processes and methods, \$25 million for products for which technology was acquired under licence, and \$1.6 million for technology sales.

Mr. Speaker, increased inventory has made it possible to increase productivity by 11 per cent, compared with a drop of 2 per cent for the previous year.

We also know that the CAL staff has increased and there is talk about jobs, jobs in the Province of Quebec. They hired 159 new employees last year and the Crown corporation had 827 people on the payroll on March 31, 1985.

The Parliamentary Secretary stated there would be no problems with the employees, their jobs will be protected and so on. Mr. Speaker, the facts show that it is not so. When the Government decided to unload the corporation it did not even have the courage or basic courtesy to contact the union, the Public Service Alliance of Canada. The Government made and announced the decision and the employees found out the corporation would be up for sale when they read about it in the newspapers.

Mr. Speaker, how can we take the word of a Government that promises to protect the former Crown employees who are now working for the CAL when we can see the same Government did not even have the courage to contact them before deciding to sell the corporation which now has about 800 employees in the Montreal region?

Obviously, Mr. Speaker, the Government showed its total lack of courage in this whole matter. They decided to give a mandate to the Minister of privatization—that is the Minister of Regional Industrial Expansion (Mr. Stevens) who struck the first blow when he sold de Havilland—and then the Minister of Supply and Services (Mr. McInnes) came on the scene right after the Minister of privatization and decided to sell this corporation which is now operating profitably.

● (1200)

Mr. Speaker, why are the Conservatives so keen on privatization? They are quite prepared to sell the corporation, but they did not have the courage to table in the House the documents listing its assets.

[English]

What are the Conservatives afraid of? Why are they so bent on the privatization of this company which has clearly demonstrated that it has followed the Wilson rubric, “reward success”? In the last seven years, it has made a spectacular recovery, finding itself number three on the *Financial Post's* list of 500 for increasing profitability of a company. Yet the first thing the Government does, in its Pontius Pilate approach to the public sector, is to wash its hands of the entire company.