

*Canadian Arsenals Limited*

know the Hon. Member for Mississauga South (Mr. Blenkarn) will find of interest. I am sure he will have a great many questions which he will want to ask me when I conclude.

I come to the subject of debate with considerable interest in the policy of the Government with respect to privatization. I followed carefully the criteria of the Government with respect to the sale of de Havilland, which was the first major sale made pursuant to its privatization policy. One interesting point with respect to the privatization policy of the Conservative Government is that it gives Canadians an opportunity to see how the three political Parties represented in the House of Commons stand on an issue in which differences among the Parties are highlighted, perhaps more than on any other single issue.

I would first like to deal with the approach of the Liberal Party to privatization. We were not opposed to it. We were not convinced that the Government ought or ought not to remain and carry on particular businesses. We were taking a pragmatic approach to the effect that if there was justification for the sale of a corporation, then it was perfectly proper for the Government to sell it. We were of the view that the Government has the same capacity as the private sector has, in almost every respect, with regard to the undertaking of business. There is certainly no shortage of public-spirited Canadians who are willing to come forward in order to bring private sector discipline into a corporation in the public sector. As far as the rank and file staffing of a company is concerned, if one considers Canadair and de Havilland one will find that the types of people who come to work for these companies at all levels are certainly equivalent to the people who work for similar corporations such as McDonnell Douglas, Pratt & Whitney, or Spar Aerospace in the private sector. Person-for-person it is as easy for the Government to be involved in a business as it is for the private sector.

On balance, the Liberals have said that if the Government is to remain in a business then there should be some public sector justification for it. In other words, were all other things equal, a corporation which is running an industrial business, for example, should be in the private sector.

The Conservatives have a different approach to this matter. It is the firm belief of members of the Conservative Party that Governments should not be in industrial enterprises of any basis at all. It is a very ideological position which they take. They simply think it is wrong for taxpayers to be backing such an enterprise and that the sooner we can get out of it, virtually at any price, the better. The attitude is that it is better to give it away, as was seen in the case of de Havilland. It is their firm belief that private sector ownership will always perform a better job than government ownership.

Just to make the proposition is to illustrate some of the considerable weaknesses with respect to it. There are badly managed businesses in the private sector, just as there are well managed ones in the public sector. As a Liberal I think it is wrong that the Conservatives have so little faith in the Government being able to do things well. One has to admit that the private sector imposes a type of discipline on an industrial

operation which is a very healthy thing when the company is doing nothing more than providing a type of product or service which can be provided in the private sector.

For our part in the Liberal Party—and I think I can say this for my colleagues and for my Party nationally—when all other things are equal and there is not a good, strong reason for a company to be owned by Government, then it is better to turn it over to the private sector. This should not be done at any price or on any basis but at a reasonable price and on a sensible basis. I contrast the pragmatism of the Liberal Party with respect to this question of privatization with the ideological bias which the Conservatives have. This bias sometimes distorts reality and makes it hard for them to appreciate when a company is better off and performing well in the public sector as opposed to how it will perform in the private sector.

Even in light of the remarks made by some members of the New Democratic Party with respect to this sale I can turn to the Party as a whole and say that before us is a profitable company, why turn it over to the private sector? As a Liberal, it does not trouble me at all that a corporation is turned over to the private sector from the public sector when it is profitable or because it is profitable. Indeed, it is hard to see why the private sector would want to take over a company which was either not profitable or did not have the prospect of becoming profitable.

Members of the New Democratic Party look at the situation from a socialist point of view. That is to say, if it is making money then why should that money not go to all taxpayers? Members of the New Democratic Party ask: Why should it go just to those who invest in the company? This point of view shows a lack of appreciation of the important, positive role which capitalism has played in developing the prosperity which we know in our country and that which is known in other capitalist countries. Members of the New Democratic Party missed that point, something which members of the Liberal Party could not miss. We certainly recognize that turning something over to the private sector when it is making a profit can be a good reason for turning it over. However, if a profitable company is to be turned over to the private sector then the taxpayers should receive a fair return for the stock in the company which they are turning over. With the way this deal has been presented to Parliament, even members of the Conservative Party have to admit there is no way that any non-Government Party can make a judgment about it. The Government is not giving us the facts that we need to determine whether or not a fair price is being paid for the company.

• (1610)

I have here a letter from the Minister of Supply and Services (Mr. McInnes) written to my colleague, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), on January 20, 1986. The letter states categorically that the Minister cannot provide the Member with a copy of the Arthur Andersen Report. It is the Arthur Andersen Report on which the Government has made the judgment that the purchase price being paid for the company is fair.