

of the aspects of any transaction when a Crown corporation is sold to the private sector.

It is rather interesting that there is a difference between the Andersen upward figure of some \$98 million, and the proposed sale price of \$92.3 million, roughly.

Mr. Bradley: Mr. Speaker, I appreciate the Hon. Member's concerns pertaining to the pensions and benefits of the employees. I know of the interest the Hon. Member has in this area. I can assure the Hon. Member that this is also a concern of ours, and I look forward to working with the Hon. Member in committee on this matter.

The Hon. Member also expressed some interest as to how the bids came about and how the decision was made. I should possibly clarify for him that on May 23, the Government's intention to privatize Canadian Arsenals was announced. In response to the announcement, numerous expressions of interests were received. In fact, nine corporations submitted the \$100,000 deposit required to obtain confidential information and access to CALs facilities. Eight of these nine corporations submitted serious offers on August 9, 1985. Immediately thereafter the Government commenced competitive negotiations with these companies to ensure the best deal for the taxpayers of Canada. This is why the come-backs to the bids took place. The process has resulted in a selection of the SNC group as a preferred bidder. As the Hon. Member has stated, we feel that SNC is a very competent Canadian company, the majority of whose shareholders are Canadian. We are very proud to do business with them.

● (1150)

Mr. Blackburn (Brant): Mr. Speaker, I would like to respond to the Hon. Member for Haldimand-Norfolk (Mr. Bradley). I would be happy to participate in any way I can to make certain the deal goes through, even though I am opposed to it. If it has to go through I wish to ensure that it will go through with as much public understanding and knowledge as is possible.

In my remarks I made reference to the final bidders being forced to submit three revised bids between July and November 19, 1985, because the Department of Supply and Services kept changing its story. Again, that information comes to me from a newspaper report. Nonetheless, I am not suspicious that anything wrong has been done. I am certainly not suspicious that anything illegal has been done. I am simply wondering why these companies would have to submit bids three times. Was this to obtain, for example, a higher price? That would make sense to me if all the bids which came in were too low, or well below the Andersen figure, or below the upper figure, or, in this case, the lower figure. Thus there are still some questions in my mind with respect to this matter. I am not for a moment suggesting that anything illegal has taken place at all, or anything unconscionable for that matter. I am basically opposed to this sale. It is too bad we have to divest ourselves of a healthy corporation. I can think of one or two others which we might let go for a buck.

Canadian Arsenals Limited

Mr. Cassidy: Mr. Speaker, I would like to draw to my hon. friend's attention the fact that Canadian Arsenals Limited showed a profit of \$3 million in 1981 and a profit of \$181,000 in 1979, which rose to \$11.3 million in 1985. Back in 1980 Canadian Arsenals had sales of \$30 million, which sales tripled to more than \$100 million in 1985. It appears to me that Government wants to get rid of Canadian Arsenals because it maintains it has been badly managed. Does the Hon. Member think there is evidence to show that the company has been badly managed and that it is some type of a dog, or in fact is this not a company whose profit increase was the third or fourth largest of any company according to *The Financial Post* 500? Why get rid of it if in fact it is so profitable?

Mr. Blackburn (Brant): Mr. Speaker, I wish to thank the Hon. Member for his question. I answered in it in part in my remarks this morning. I mentioned that it was within the top 500 companies according to *The Financial Post*. I mentioned it was number three in Canada in terms of its five-year profit growth. I asked: Why sell? The taxpayers of Canada do not even know if we are receiving a good price for it. I think it is a shame that we are getting rid of this type of Crown Corporation which has a ready market. Some 90 per cent of its product goes to the Department of National Defence. It is a company which has shown increasing profitability. It is a company which has been improving in the market-place. Obviously, it is not a company which was poorly managed. It seems that the Government automatically assumes that all Crown corporations are badly managed, when in fact here is a shining example of one among many which is not badly managed and which, indeed, is very efficiently run.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in recalling the Budget prior to the last Budget, and I would love to have been able to speak on the last Budget but unfortunately the Tory majority cut our tongues out on that particular issue on Friday—

Some Hon. Members: Oh, oh!

Ms. Copps: I recall in the Budget prior to the most recent Budget the Minister of Finance (Mr. Wilson) stated that he would like to reward success. The new credo of conservatism was: "Reward success". Yet those in the public who do not know a great deal about Canadian Arsenals Limited might not realize that this particular action on the part of the Government, the sell-out of Canadian Arsenals, is in direct contradiction to the promise of the Minister of Finance that he will reward success.

I would like to walk through some of the recent history of Canadian Arsenals which clearly shows that this company was not only making money but that it had the third highest increase in profitability of any company on *The Financial Post* 500. One would think that under those circumstances the Government would at the very least be prepared to come clean with respect to the total value of the company. However, we quite clearly see another example of the secrecy of the Govern-