

Supply—Defence Production

to pay maintenance charges, taxes and so on. This reminds me of the government saying it has made a savings by cutting down on the estimates for next year. This is like saying that if I had \$5,000 today I might spend \$4,000, but I have not spent \$4,000 today so I have saved \$4,000. It would seem to me from what the minister has said that if this plant was turned over to anyone, with all the current liabilities paid by the Canadian people, there ought to be some sort of asset left. I should like to know what the crown got for those assets. I am not interested in how much money they might have saved because they did not carry on this operation, because that is foolish. There was something tangible to work with there, including a building and property. The people of Canada did absorb all the liabilities. This plant was turned over to a company for some amount and I should like to know whether it was less than \$1,000.

Mr. MacInnis (Cape Breton South): Don't ask him, he wouldn't know.

Mr. McIntosh: We are dealing with the estimates and we should be able to get this information.

Mr. Drury: I will try again. The discharge of the outstanding liabilities came to a total net payment by the crown of \$740,000. Obviously because this operation is continuing, the crown is not absorbing all the liabilities. It is not absorbing the contractual loss on sales contracts entered into and against which there has to be performance. This has been taken on by Bartaco. With the assumption of outstanding financial liabilities in terms of money owing to the bank and outstanding accounts payable the crown had to pay \$740,000. If you wish a figure one might say the property and equipment was sold for \$1.

Mr. McIntosh: I should like to thank the minister for divulging the sale price of this property. It would seem to me that the minister said there was concession for the Canadian people in that they will participate in the profits of the company during the first two years. He also said the operation did not make any money from the time it opened until it was sold for the sum of \$1.

I still cannot understand how his department can make a sale of this type. The Minister of National Defence says it is impossible for government departments to make sales in this way. Once the liabilities were absorbed by the Canadian people, why did not the minister turn this over to Crown Assets, as the

statute directs him to do? Under what authority did the minister make this sale for the sum of \$1?

Mr. Drury: It was made under the authority vested in the minister responsible for the administration of the Crown Assets Disposal Corporation.

Mr. McIntosh: What authority could the Crown Assets Disposal Corporation give the minister that has not been given by parliament? I thought the statutes in this country were passed by this parliament.

I do not remember any provision in the act—and I have looked it over—that gives a minister authority to dispose of any property in any manner that he sees fit. I thought the laws were made for all the people of Canada, including ministers. If the statute says that this property should be disposed of by Crown Assets, I think the minister was wrong in disposing of it in the manner in which he did and for the price at which it was sold.

• (8:30 p.m.)

Mr. Drury: Mr. Chairman, the authority vested in the minister is provided under the law passed by the parliament of Canada. Under that law the minister responsible for Crown Assets Disposal Corporation has authority to vary the sale procedure set out in respect of Crown Assets Disposal Corporation. This is a power vested in one minister only and not in ministers of other government departments. No such authority resides in the Minister of National Defence; he has not responsibility for Crown Assets Disposal Corporation.

I tried to make the point to the hon. gentleman that what we are dealing with here is not a net asset; it is a liability. The fact that I am here seeking a supplementary appropriation is evidence of the fact that this is a liability being disposed of, and not an asset.

Mr. McIntosh: Mr. Chairman, I still do not understand the minister's explanation. I ask him: Does this vote give the minister authority to make that sale? If we pass this vote, do I correctly understand that the minister will use it as authority for making this sale, in order to get around the statutes as they are at the present time? Also, was there any guarantee to the Canadian public that this plant, sold for the sum of \$1, would not be sold to foreign interests, or was there any guarantee that there would not be any change in Canadian control for any length of time?