

to make a serious effort to provide full employment in the country.

I have another question about the sale of this corporation. Ninety per cent of the sales of Canadian Arsenals are made to the Department of National Defence. Through selling this corporation the Government is creating a monopoly in the private sector in the munitions industry in the country. It is, therefore, putting the Canadian taxpayer in a very vulnerable position. That private sector, profit-making monopoly can then set its price for munitions. We will be in a position of having to pay whatever price that monopoly chooses to charge the taxpayer. The Government is giving up an \$11.3 million profit for the public Treasury and replacing it with a private sector monopoly which will be able to demand whatever price it chooses from the Canadian Government for munitions. The Canadian taxpayer will pay for that, Mr. Speaker.

I would like to know why the Conservative Government chooses to sell Canadian Arsenals Limited to the private sector. I hope Conservative Members get up and explain this to us. Does it have it anything to do with the fact that the company buying Canadian Arsenals made campaign donations to the Minister responsible for industry?

● (1520)

Mr. Turner (Ottawa-Carleton): Careful.

Mr. Keeper: The Member says I should be careful. I wish he would stand up and explain to the Canadian people why the Government is selling a profitable corporation to the private sector. Why give it to a company which gave campaign donations to the Conservative Party and the Minister responsible for industry? They make comments from their seat but they do not get up in debate and answer those fundamental questions. Is it because they are following their patronage policy, a policy which they condemned when they were in opposition? They condemned the Liberal Party and the Leader of the Opposition. Now they are in office, they continue a policy of patronage, patronage, patronage. Whether it has to do with census takers or the sale of profitable Crown corporations, that is what they are doing. I would like to see Conservative Members stand up and answer those questions.

There is another question surrounding the sale of this corporation, having to do with conflict of interest. We are aware that the former Director General of Aerospace and Armaments with the Department of Supply and Services took a job with CFN Consultants. He was originally in charge of privatizing Canadian Arsenals. He left the public sector and went to work with the consulting firm which was working for the company buying Canadian Arsenals. On the face of it there is a conflict of interest. The Government has not adequately explained this. Why has the Government allowed this to happen? These questions demand answers. If we do not get adequate answers, then we have to believe that this Government is not keeping an adequate eye on the question of conflict of interest.

Canadian Arsenals Limited

Another question has to do with the fact that 10 per cent of the sales of Canadian Arsenals are to the international market. The Government press release dealing with this sale said it would make the ammunition industry in Canada more internationally competitive. Does this mean that the Government is encouraging Canada to get into the arms race? This is an important question because we know that military equipment produced in Canada has ended up in places like Chile, Nicaragua and El Salvador. Surely the average Canadian does not want to build an economy which is based upon profits from debt in international conflicts. I am concerned about this Government's policy regarding the international sale of arms and what the movement of this corporation from the public sector to the private sector means in those terms.

[*Translation*]

We have a number of questions about the Bill now before the House. One of them is what security has the Government given to the employees of the corporation? According to the press the Government did not consult the union about the sale.

Mr. Speaker, the corporation employs 750 people in Saint-Augustin near Quebec City and in Ville Le Gardeur and they want to have job security and firm commitments concerning their pension rights.

Mr. Speaker, the sale of that Crown corporation has not been adequately explained. Why did the Government sell a profit-making company? Could it be that the buyer of the corporation made financial contributions to the Progressive Conservative Party during the last election campaign? Is patronage involved? I want Conservative Members to respond to that allegation.

As a result of the sale, Mr. Speaker, the Government will create a private sector monopoly and Canadians will have to pay even more for national defence. This is a rather strange policy because this Crown corporation has been putting its profits in Government coffers.

Mr. Speaker, I want the Conservative Members who misled me on a few occasions to take this opportunity to reply to my questions. Why is the Government selling a profit-making Crown corporation? Is it because of the contributions the Party received from their private sector pals during the last election campaign?

[*English*]

Mr. Deputy Speaker: Questions and comments.

Mr. Hovdebo: Mr. Speaker, a number of organizations are very concerned about the sale of arms by Canadian corporations in any form. They are concerned about Canada becoming a merchant of death. Charges have been levelled against Canada by church groups who are alarmed by the increase in the export of military equipment from Canada. Would the Hon. Member comment on that very great concern over Canada becoming a producer of military equipment which contributes to the possibility of war around the world?