

*Canadian Arsenals Limited*

If there has been delay, the Government is responsible for it. The reason for the delay is that the Government did not know whether it intended to privatize, or how it intended to do it. Through press leaks we have learned that one group in Cabinet wanted to sell at any price, and another group of the bureaucracy wanted to go through the process and work out the ground rules before proceeding. Fundamental questions have yet to be addressed in the case of Teleglobe. The rates which Teleglobe Canada can charge are part of a regulated environment. If Teleglobe goes into the private sector, its income and, therefore, its profitability, will depend on how the Government intends to administer this regulated environment. If international tariffs for communications are deregulated, or sharply reduced, Teleglobe will no longer be very attractive. It is very difficult to sell it, given that uncertainty.

With regard to Canadian Arsenals, we wondered why we would sell it when it was anticipated that it was going to continue to be more and more profitable. It was one of the fastest growing companies in terms of profit growth in the last five years in the entire *Financial Post* index. We wondered why we would sell a winner, and the Government has never answered that question. The other question we had was with regard to dealing with the employees. This has not been done either.

That is why I have moved this amendment which calls for the Act to come into force after December 31, 1987, on a date to be fixed by proclamation. In the interim I hope it will be possible to resolve the problems which have been raised directly, and quite justly, on behalf of the employees when they came to Parliament Hill two days ago. These problems have also been raised by their unions repeatedly and consistently since the Bill was tabled in December.

If the Government asked whether I would agree to an amendment which would allow the Bill to come into force when all of the outstanding issues which have been raised by the union are resolved, rather than waiting for the entire year and a half, I would not be negatively disposed to that. However, successor rights have not been established, and cannot be established unless there is either legislative action or some more formal agreement between the federal Government and the Quebec Government as these employees are passed from federal jurisdiction into provincial jurisdiction.

The employees have only verbal assurances from SNC that the grievance process and the administration of the collective agreement will continue on an informal basis until the employees form a union under Quebec law, either through the alliance or another union which they may choose to replace the alliance. If Motion No. 1 passes on Monday there will be a resolution of the pension issue, albeit not a very good resolution. The fact that there has not been a satisfactory resolution in that area raises questions in my mind.

Another issue is that ammunition produced by Canadian Arsenals has found its way to such places as Contra camps on the borders of Nicaragua. Yet, there has been no insistence with regard to controlling where SNC and its new subsidiary

will be able to sell ammunition and other military products once it is no longer publicly owned. These issues ought to be resolved before a sale, rather than after. I very much regret that the Government did not see fit to resolve those problems before passing the Bill.

For those reasons I have moved that this matter be deferred and that the Bill not be proclaimed until after the end of December, 1987, which will allow ample time for the resolution of these problems. If in four months' time the Government says that it has solved these problems and asks for a one hour debate on a short Bill in order to advance the proclamation, I would strongly recommend to my colleagues that, if satisfactory resolution to the issues had been achieved, we pass such a Bill. However, for now I think it is necessary to pass this motion. This amendment should be made law in order to ensure that every Minister of the Government understands that if they insist on privatization, even when it is not warranted, they must follow a legitimate process which answers the concerns of the electorate in general, affected workers, and other people with interest in a particular sale. We will feel compelled to continue to make proposals for delay until these issues are better handled.

**The Acting Speaker (Mr. Paproski):** Is the House ready for the question? I will recognize the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, we are almost ready for the question, but we do have a few other points which we must bring to your attention.

[*Translation*]

This House is anxious to hear from Quebec Members who have the honour and privilege of representing those employees here, and we feel it is indeed our duty to speak up in the absence of those Members who have not risen yet. But since they will be doing it shortly, we are making sure in the meantime, as Members, that their views are put forward, the views of those who have not yet done so.

I know, for instance, Mr. Speaker, that the Hon. Member for Terrebonne (Mr. Toupin) would like us to raise those issues on his behalf, being no doubt very busy, and this is why it is impossible right now to raise them himself. I am sure it is the same with the President of the Treasury Board (Mr. de Cotret) who represents a neighbouring constituency, that of Berthier—Maskinongé, and he has many constituents who are employees of—

**Mrs. Mailly:** On a point of order, Mr. Speaker.

**The Acting Speaker (M. Paproski):** The Hon. Member for Gatineau.

**Mrs. Mailly:** I am questioning the relevancy of naming all those Members who are not now in this House, and pretending to speak on their behalf.

**Mr. Boudria:** I never said they were not present.