Government has learned something from its unbelievably inept handling of this divestiture.

I would like to put before the House the following procedures which I believe should have been followed. First, when the decision has been made to sell the Government should follow the requirements of Section 99 of the Financial Administration Act and have the Minister table in this House his directive to the corporation. In this particular case the Government did not follow the law of the land and table before this House a directive saying this Company was going to be sold. I know the Minister suggested he did not have to do that, but the law says he does. The Minister failed to fulfil those requirements. Had he done so, we would have had a situation where everyone in the House knew the procedures which were to be followed. I think it is typical of the arrogance of the Government that it was unwilling to fulfil the requirements of the laws of the country.

Second, there should be full and complete disclosure of the tendering process and criteria, possibly in tabling the Financial Administration Act directive. The public, the employees and any possible interested purchasers have the right to receive that kind of information.

At the same time the Government should have put before Parliament a Bill—not after they sold the company but before—that would allow it to sell the company which could be discussed within the structure of Parliament. I believe it is very arrogant of the Government to require Parliament to pass a Bill forming the company and then bring a Bill before Parliament suggesting we rubber stamp it because it has already sold the company. A Bill to sell the company should have been passed before the tenders were called. In that Bill should have been placed the kind of information which would have allowed the bidding company to know it would be taking over a certain kind of agreement with respect to the employees, and that it had some responsibility to have a continuum of employee benefits. That was not in the Bill at all, and it was not done in this divestiture until it was forced upon the Government and the purchaser. The purchaser had already made the deal before it knew it had problems with the employee agreement. This, in my opinion, was very inept on the part of the Government.

The Bill should include a price which the Government thinks the corporation is worth, so that when tenders are submitted Parliament can make some decision and approach the situation with some secure knowledge that the corporation was not passed on as part of a patronage deal by the Government. Before the Government asked for tenders it should have established a price range within which it would be acceptable to sell the corporation. The Government should put itself beyond suspicion. It should say: "This is what the corporation is worth. Let Parliament look at that". It should then call for tenders. If it does not get that amount it could sell the corporation later or suggest to Parliament the reasons why it cannot get that price.

The Bill, and possibly the tender papers, should set down the rules as far as the employees are concerned. The tendering criteria must be included in the conditions of sale so that we do not have the same kind of situation we had in this divestiture where, for a period of several months after the actual sale had been completed, negotiations went on between SNC, the Government of Canada and the employees. That is an incredible way of doing business. If the conditions of sale show the contractual and acquired rights of the employees and include the vesting of their pensions and their rights within the Superannuation Act, it could then be maintained in the sale and the purchaser would know what it was getting into.

Finally, available to Parliament before the sale is confirmed should be all of the information with respect to price and the conditions of sale. If possible, they should be made public at that time so that no one could accuse the Government or the Parliament of Canada of allowing a divestiture to go through with the suspicion of patronage. I believe the agreement between the corporation and the Government of Canada should be in the public domain so that everyone could know that the deal was good, and acceptable.

In summary, I have laid down what I think would be an acceptable procedure. First, the required directive should be tabled in the House. The Bill should be brought before the House and passed. By passing the Bill Parliament gives the Government the athority to sell. It could not set the company up without the authority to do so, why should it be able to sell without that authority? The tendering papers should be made public. The Government should then go into negotiations for sale with the conditions passed by Parliament. When the purchaser has been identified and the price agreed upon, the Government should again refer it to committee as it did, at least partially, with de Havilland.

Finally, the agreement should be considered in the public domain which would, of course, be the case if the above course were followed. Before we go ahead with any further divestitures or privatizations we need to establish a procedure which is acceptable to the employees, to Members of the House of Commons and to the Government.

• (1520)

Mr. Deputy Speaker: If there are no questions or comments, is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on the motion of Mr. McInnes:

That Bill C-87, an Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof, as reported (without amendment) from a legislative committee, be read the third time and passed.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Yes.

Some Hon. Members: No.