

Canadian Arsenals Limited

In conclusion, Mr. Speaker, the many unanswered questions still outstanding with regard to the treatment of employees of Canadian Arsenals Limited and their futures in terms of pensions, plus a variety of other unanswered questions with regard to the transfer of control from a Crown corporation to a private corporation, encourage us to speak in favour of this amendment which will postpone this transaction until some time in the future. That will give us an opportunity for some clear second thoughts about what we are doing. Hopefully, saner heads will prevail in the end.

[Translation]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I welcome this opportunity to comment on the sub-amendment to Clause 12, which is aimed at giving the Government time to reflect and suggests that this Act come into force after December 31, 1989, on a date to be fixed by proclamation.

Mr. Speaker, this obviously gives the Government enough time to reconsider the Bill and add a measure of sensitivity to the needs of its employees. Mr. Speaker, I am not saying I don't trust this Government, but I can tell you that in my riding of Ottawa—Vanier, that trust is relatively limited, especially considering the reputation this government has among its public servants, and I am referring to the fact that it has cut 15,000 jobs and is talking about cutting 15,000 more very shortly. And we all know that as far as job security goes, this Government is unreliable, to say the least, and personally, I am defending the interests of Canadian Arsenals employees, and I say right now, in no uncertain terms, that we are going to expect this Government to clean up its act and treat its employees more generously in terms of pensions and the formula proposed in the sale contract. I could go on for hours, Mr. Speaker, reading the agreements concluded by the Government and SNC, on what basic formulas are to be used, age of retirement and conditions for pension eligibility, survival benefits, and pension fund contributions.

What it all boils down to, Mr. Speaker, is that we are dealing with the worst kind of amateurism.

We have a Government that has decided to privatize a company and other companies as well, but especially this one, a company that has shown a profit during the last five years, a company that was built up and made profitable again through the efforts of its employees and the support of its Board of Directors, and because it is making money, because it is a profitable business, the Government has decided to get rid of it, for reasons it tried to explain but failed at second reading and it has failed even more miserably at the report stage.

Mr. Speaker, we may recall that Canadian Arsenals manufactures medium and large calibre munitions. So they don't have a wide range of customers, aside from the Government or perhaps other governments, that could buy their products. There are 750 employees at Le Gardeur near Montreal and there is another plant at Saint-Augustin near Quebec City, with 50 employees. Ninety per cent of the

company's production is sold to the Government, Mr. Speaker, and we know that the transaction involves making calls for tenders. We asked what the criteria were. We were told: the price only.

Mr. Speaker, it is later on that people realized all of a sudden that other considerations had to be reviewed seriously. For instance, the pension plan of the employees had to be taken into account, as well as the indexation of this pension plan, because it is important to have a pension plan which keeps its purchasing power. Just as is now the case for civil servants, they wanted, I suppose, to continue the benefits they had paid for and perhaps to maintain their pension entitlements in the future, by paying their share in the contract and the indexation which is standard among civil servants.

Mr. Speaker, if we consider the background of this sale . . . And when I say amateurish, I really mean amateurish. The Government did not take the trouble of consulting the union. It could have learned something! It did this thing unilaterally, something it should never have done.

The union representatives question the logic of the Government's sale of a profit-making corporation—and they said so in committee. They do not think it is politically wise to treat employees as it is trying to do. That is why we introduced a series of amendments in an attempt—the Minister was here, but he is gone—I saw the Minister in the House and I thought that perhaps he would rise in the debate and give us the assurance that when using his discretionary power, because discretionary power is what he will get under Government amendment No. 1 which will probably be passed by the House today, he will maintain the pension benefits which the employees now have.

This is not a precedent. Hon. Members know it was done in the case of nearly 20,000 Canada Post employees. It was done, a company under Treasury Board jurisdiction was privatized, so to speak, and turned into a Crown corporation. Those people put in the position where they could continue paying their pension contributions and transfer. In other words, they were sure they could change jobs. It means that if a Canada Post employee was not satisfied after three years he had the option of going to the Public Service Commission and ask them to find him a new job. That was fair. But there is no such option in this contract, it is nontransferable.

Mr. Speaker, I would like to refer to some of the comments and get back to my theme of amateurism. I am not the only one who said that, a lot of people came to the same conclusion, particularly those who made offers and who, during the auction, asked the public service departments what the terms of the sale were. We heard interesting comments from these people. Even the senior department officials might have interesting remarks to make. I will simply read some of the comments made by Mr. O'Toole. As we know, Mr. O'Toole—