

*Canadian Arsenals Limited*

Section and then make regulations generally for the carrying out of this Section. As a legislative draft person I think I can understand why these things are there. However, given the climate of unease which these workers feel, it seems to me at the very least we could have had the regulations perused and approved in advance by the union in order to quiet their fears. Instead of that, we have effectively a blank cheque kind of situation. At least that is how it is perceived. Because of the contentiousness of the privatization issue, we have to look at perception as well as intention. The Government's intentions may well be 100 per cent honourable. It may say it has come up with the best solution it could. It is not the best solution, because I believe, as the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) indicated in his amendment, that it should be possible to allow those employees who wish to stay in the Public Service plan to do so. The union says it will negotiate to get the employers' share paid to the employees so they can pay it into the two plans concerned. That should be possible and it is a better way. However, if the Government thinks this is the best way, it should understand that that is not the perception because of acts of omission and commission which have led to unease and disquiet on the part of the workers. That is why we can support the recommendations—

**The Acting Speaker (Mr. Paproski):** Order, please. Does the House want me to put the question now or shall we wait?

**Mr. Cassidy:** I believe there are other speakers.

**The Acting Speaker (Mr. Paproski):** It being 1.05 p.m., I do now leave the Chair until 2 p.m. this day.

**AFTER RECESS**

The House resumed at 2 p.m.

**The Acting Speaker (Mr. Paproski):** The Hon. Member for Kamloops-Shuswap (Mr. Riis).

**Some Hon. Members:** Hear, hear!

**Mr. Nelson A. Riis (Kamloops—Shuswap):** That was a surprise, Mr. Speaker. Now I feel very uneasy.

While I do not plan to prolong the debate unduly, I want to make a few comments regarding Bill C-87, An Act to authorize the divestiture of Canadian Arsenals Limited and to amend other Acts in consequence thereof. Let me also point out that the decision to join Motion Nos. 1, 2 and 3 together requires one to comment on the need for this grouping in the first place.

The record should indicate clearly that the New Democratic Party opposes this Bill for many reasons, not the least of which is that the Government would want to cut itself off from Canadian Arsenals. Canadian Arsenals is a 100 per cent Crown corporation established in 1945 for the purpose of returning the armament industry in Canada from wartime to peacetime operations, as was required in those days. It has

evolved into a corporation that produces munitions whose primary client is the Government of Canada. It is, by and large, an arm of the Government since some 90 per cent of its munitions are sold to the Government of Canada.

Last year, Canadian Arsenals had a profit in excess of \$11 million on sales in excess of \$100 million. That is quite impressive. That Crown corporation will not make \$11 million next year as part of the Government's operation as a result of this Bill. We have some difficulty understanding the priorities of the Government, particularly of those Government Members who are concerned about the lack of Government revenue.

This Crown corporation is very profitable and well run, at least in terms of profitability. As a matter of fact, I believe it was ranked third in Canada for profitability. Yet steps are being taken to cut this particular Crown corporation adrift. It should be held up as ample proof of how a Crown corporation works extremely well in terms of profitability.

The major concern being expressed during the report stage of this Bill involves the pension arrangements for 800 employees of Canadian Arsenals. This concern arises because of the Government's negligence in thinking the process through carefully. Fortunately, in committee, thoughtful Members raised the point that not enough attention had been given to the pension arrangements of the hundreds of employees involved. Indeed, the Government agreed that this had been overlooked to a certain degree. Consequently, the first motion we are debating in this group was initiated by the Government in recognition of this oversight.

Bill C-87 is extremely important because of its precedent-setting measures. The approach used in this Bill will be used elsewhere as the Government attempts to privatize various aspects of Government operations. That is why we are particularly concerned about Clause 12. We are not simply dealing with the balance sheets or the facilities of Canadian Arsenals, we are concerned about what happens to the hundreds of employees in that operation.

Many employees of Canadian Arsenals have been contributing to pension plans for many years. Questions are now being asked about the transfer from this particular pension sphere into another and whether the employee will in fact be severely cut back in terms of the benefits that would accrue as a result of this change. Indeed, that is the case. That is the reason for Motion No. 2 in the name of the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) which states:

"12. An employee of the Corporation, as of the day prior to the date of transfer, will have the right, on transferring to the new employer, either to:

- (a) choose to remain and continue as a contributor to the federal superannuation plan, and the employee will pay both the employee's and the employer's shares of the required contributions to the plan; or
- (b) become a contributor to the pension plan as described in the agreement of purchase and sale between the Government and the new employer."

I understand that is similar to the arrangement one can make when on leave from the federal Government. It is possible to make both contributions and continue the plan. Such a procedure makes imminent sense in this situation and that is