

*Canadian Arsenals Limited*

against Bill C-87 because it totally ignores their rights, their vested rights with respect to pensions.

We know that the pension system we have for federal public servants is based on employee and employer contributions, and that there are certain formulas that have been established and negotiated and that are recognized as being both generous and fair in concept and application.

Mr. Speaker, employees and their representatives are asking to have the present pension plan, as regulated by the Pensions Act now in effect, transferred to the new employer so they can continue to contribute to their pension plan as they did before, and enjoy those benefits for which they have saved.

Mr. Speaker, in his December 2, 1985 statement on the sale of Canadian Arsenals, the President of the Treasury Board said this: It is a good deal for all parties involved, including the private sector and the employees of Canadian Arsenals Limited.

Mr. Speaker, I have no doubt that the sale is a good deal for the SNC group—and I know that people interested in this debate will refer to the remarks we made last March 11 when the Government was criticized for its amateurish and unplanned privatization procedure carried out with undue haste and without much thought given to the impact of privatization on the employees—but still we entertain serious misgivings about the so-called benefits accruing to the employees of Canadian Arsenals Limited.

Mr. Speaker, we were given assurances by the Minister of Supply and Services (Mr. McInnes) and his Parliamentary Secretary (Mr. Bradley), yet our misgivings have not been dispelled, particularly with respect to employee pensions. Although this amendment deals with that problem, I would simply remind the House that the proposition under study is short on specifics and smacks of amateurism.

Looking at Motion No. 1, I see that the person, namely the employee—I will read subsection 12(e):

(e) the person elects, within one year after the coming into force of this section and in such form and manner as the Minister directs, to have the Public Service Superannuation Act, the Supplementary Retirement Benefits Act and the regulations made under those Acts continue to apply to him to the extent provided by the regulations made under subsection (3).

Mr. Speaker, the words that bother me are “in such form and manner as the Minister directs”. Had this read “in such form and manner as negotiated between the employer and the union”, I would say it makes sense, at least the two parties will negotiate and reach an acceptable compromise. But no! The whole thing is to be decided by the Minister, unilaterally.

Mr. Speaker, you will recall that, yesterday in this House, we discussed Bill C-45 in which the Government proposes to change the system where negotiations are authorized only on one side so as to allow a union to negotiate for the employees. In this case, I find the proposed changes very weak and narrow in their application since negotiation is unilateral.

Mr. Speaker, the Committee had the opportunity to examine the amendment moved by my colleague for Glengarry—Prescott—Russell (Mr. Boudria). Motion No. 2 standing in his name attempts to make the following change to the bill:

That Bill C-87, be amended by adding immediately after line 34 at page 5 the following:

“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—

—that is, SNC—

—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.”

Mr. Speaker, this proposal was already made by the Hon. Member for Glengarry—Prescott—Russell in committee on behalf of the Public Service Alliance, and I think that it reflects the intention of the employees to continue to pay their own contributions, and even the share of the employer. As I said earlier, both employee and employer contribute 6 or 7 per cent to a pension fund which, at the time of retirement, after 35 years of service or under the magic number of 85, entitles the worker to a pension and the benefits from his investment.

If we look at Motion No. 2, we find that the employees are aware that the Government did not want to get involved with the private sector and continue to allow contributions to a public pension fund, as the Pension Act is very clear on this point. The employees therefore said: In that case, we shall continue to pay not only our own contributions, but also the share of the employer so that we may continue to benefit from the pension plan in which we already have substantial investments.

Mr. Speaker, that is truly taking the bull by the horns. If these employees cannot be authorized to keep their pension fund in which they already have vested interests and continue to contribute to this fund, I do not know how we could, in this House, authorize or endorse a solution which would be left completely at the discretion of the Minister as suggested in motion no. 1.

A different pension which, as I understand it, Mr. Speaker, has been suggested by certain people, would also be a solution.

Mr. Speaker, the employees are asking, and I shall try to summarize since you are giving me a minute more, to be recognized as contributors to their present pension fund, which is the Canadian Public Service Superannuation Fund, and to contribute also the share of the employer if he refuses to recognize his obligation to keep up his own contributions.

**Mr. Mike Cassidy (Ottawa Centre):** Mr. Speaker, I wish to deal with the amendments moved by the Minister, his Parliamentary Secretary and the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) on the pension rights of 800 Canadian Arsenals Limited employees affected by this