

news from CUASA

Volume 9 No. 10

Editor: R. Lovejoy

November 15th, 1978.

NEGOTIATING TEAM SIGNS MEMORANDUM OF SETTLEMENT

The CUASA and Carleton University negotiating teams signed a memorandum of settlement at 5:30 p.m. yesterday. The memorandum, if approved by the Board of Governors and by CUASA's Council and membership, is the culmination of 6½ months of negotiation on the 1978-79 "salary reopener". It provides for a number of changes in our terms and conditions of employment of which the principal are:

- each continuing employee shall receive a 2.75% scale increase in his/her nominal annual salary as of June 30th, 1978, effective as of July 1st, 1978.
- the CDI and merit increments for 1978-79 shall be maintained at the 1977-78 values (see Article 41.5(e) of Agreement).
- extension of the term of the present Collective Agreement to April 30th, 1980, subject to a re-opener on monetary matters on July 1st, 1979.
- a provision for final and binding arbitration as the method of resolving disputes on monetary issues in both 1979 and 1980.

CUASA Council will consider the proposed settlement at 2:30 p.m. on Friday, November 17th. A general membership meeting at which the settlement will be presented will be held at 11:30 a.m. on Tuesday, November 21st in Theatre B. This will be followed by a ballot box ratification vote later in the week.

L.A. Copley for Negotiating Team

MEMBERS ATTENTION IS DIRECTED TO THE FOLLOWING JCAA DOCUMENTS:

- (a) A memorandum from G.R. Love and R.B. Rutland to Professors L. Campbell, N. Griffiths, B. Pagurek and W. Romo.

October 31, 1978 - Re: Article 26 (Teaching Evaluation)

The Association submitted to the employer through the Joint Committee for the Administration of the Agreement (JCAA) a proposal to modify Article 26 of the agreement (teaching evaluation) so as to delete the list of items to be tested in 26.3(e) and the need to submit questionnaires to the JCAA for approval.

The employer was unwilling to agree to the Association's proposal at the present time. Consequently, all provisions of Article 26 remain in force.

It is the understanding of the parties to the agreement that the Acting Vice-President (Academic) is establishing a working group to produce a teaching evaluation instrument which will meet the objectives of the Senate document, and which will provide a common group of questions for all faculties. The employer undertakes to reconsider the Association's proposal for revisions to Article 26 when such an instrument has been formulated.

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- (b) A Memorandum of Agreement between Carleton University and CUASA, dated October 31, 1978:

The requirements of Article 43 of the Collective Agreement shall not apply to employees who, at their own request and by agreement with the Chairman, undertake summer school teaching in exchange for release time in a regular academic session.

GENERAL MEMBERSHIP INFORMATION MEETING

DATE: TUESDAY, NOVEMBER 21st, 1978.

TIME: 11:30 A.M.

PLACE: THEATRE 'B'

CANADIAN GOVERNMENT ANNUITIES

Between the late 1950's and June, 1973, Carleton University invested part of an employee's retirement assets in CGAs. By 1973, 1306 Carleton employees had contributed \$132,256.04 to CGA Contracts, (quote, Mr. Glen McStravick, 7 November 1978).

The interest yield on these CGA contracts was, and still is, fixed at 7% per annum, effective April 1st, 1975, by the Government Annuities Improvement Act. I believe a more realistic and representative interest rate, at that time, would lie between 8.3% and 8.7%. The same Act terminated the sale of further CGAs; the Canadian Government Annuities Branch is, in fact, winding down.

I invite you to read my letter, published in the September 29th issue of the Ottawa Journal, printed below. It is an attempt to compel redress of grievance suffered by some 300,000 Canadian CGA Contract holders with total holdings of \$1.24 Billion as at March 31st, 1977, the most recent statistics available. Current interest rates of 10% are commonplace. The Carleton University Retirement Fund produced a yield of 10.8408% at June 30th, 1978. By maintaining an interest rate of 7% the Government is battenning on its current and future annuitants to the extent of some \$38 Million annually.

I invite you, urge you, to write TODAY to the Honourable J.S.G., (Bud), Cullen, P.C., M.P., at 305 Rideau Street, Ottawa, K1A 0J9, requesting, indeed demanding, that legislation be introduced immediately to allow CGA Contract holders to opt out and have their total contributions plus accrued interest transferred to an employer's Retirement Fund or to an approved RRSP.

Malcolm A. Gullen, CUASA Representative C.U. Retirement Fund Committee.

Sirs: — In 1908, the Liberal government under Sir Wilfrid Laurier, legislated an act to authorize the issue of government annuities for old age. In late 1960, I became party to a CGA contract through my employer's retirement plan; my opinion on this contract was not sought, my specific consent was not obtained.

The interest rates applying to these contracts, in the recent past, are as follows:

1952-57, 3½ per cent; 1957-64, four per cent for existing contracts; new contracts entered into after April 1, 1974, five per cent.

April, 1975, to date, seven per cent; following Assent to the Government Annuities Improvement Act on Dec. 20, 1975; paragraph 3 (1).

I am sure that I can produce evidence that these rates are consistently lower than those offered by private sector banks and trust companies for long-term deposits such as guaranteed investment certificates, etc.

My employer's retirement plan produced a net interest yield at June 30, 1975, of 9.697 per cent, at June 30, 1976, of 9.634 per cent, at June 30, 1977, of 9.774 per cent, and forecasts a rate in excess of 10 per cent at June 30, 1978.

Most reasonably chosen RRSPs have offered similar returns in these three years, and in prior years.

I note that the Liberal government, with a \$4.5 million advertising campaign, is preparing, through salesmen working for commission, to market \$7.5 billion in new Canadian saving bonds. This new issue will bear interest at 8.5 per cent in the first year; 9 per cent per annum thereafter.

I also note that the Liberal government is marketing a new \$850 million bond issue. These 25-year bonds will pay 9.5 per cent interest per annum until maturity.

The Liberal government passed the Government Annuities Improvement Act in 1975 and, in paragraph 3(1), sets the

rate of interest applicable to Canadian government annuity contracts at 7 per cent per annum. Paragraph 3(2) gives to Governor in Council the authority to vary this rate of interest.

I am currently seeking confirmation of the intention of the government to amend this rate to 8.9 per cent or 9.5 per cent immediately.

The Government Annuities Improvement Act, paragraph 13, discontinued the sale of further annuity contracts. The Canadian Government Annuities Branch is, in effect, to be wound down. Yet this branch is scheduled to move into a still unbuild building in Bathurst, N.B., in the fall of 1979. Some 100 staff positions have been allocated to CGAB.

I suggest the immediate introduction of legislation which will allow any holder of a CGA contract, or a current annuitant, to either continue to stay with CGA or, by application in writing to CGAB, ask that the total of his contributions, plus all accrued interest, be transferred to his employer's retirement fund or to an RRSP of his choice (each, it is assumed, is subject to appropriate restrictions on cash withdrawal and the age at which retirement may begin).

A current CGA annuitant may elect to stay with CGA, or ask for a statement of the cash value of his annuity (contributions plus accrued interest less annuity payments made), and invite tenders from private sector life insurance companies, or vendors of RRIPs, to establish, if he wishes, a new annuity agreement.

I submit that the Liberal government is battenning on its current and future annuitants by maintaining the interest rate at seven per cent; wasting public money by moving to new quarters and prolonging the life of CGAB.

MALCOLM A. GULLEN.
Ottawa.

THE FOLLOWING INDIVIDUALS HAVE BEEN AWARDED MERIT INCREMENTS

ARTS

C. Faulkner
G. Johnston
R. Laird
R.H. MacDonald
H.P. Clive
S. Sarkany
D.G. Bowen
S.R. Mealing
M. Phillips
W.H. Kesterton
P. Wilson
J. Scanlon
I. Pringle
D. Piper
J.C.S. Wernham
R.M. Polzin
C.P. Slater
V.I. Grebenschikov
J. Jurado

SOCIAL SCIENCE

J.C. Bourgeois
W.I. Gillespie
S. Langdon
C. Laughlin
C. Maule
B. McFarlane
K. McShane
J. Myles
L. Mytelka
L. Rutman
N. Spanos
E. Swimmer
D.R.F. Taylor
B. Tomlin
W. Webster
R. Whitaker
M. Whittington
P.J. Williams

SCIENCE

C.H. Amberg
K. Bell
C.L. Chakrabarti
M. Csorgo
H.F. Howden
J.M. Moore
J.M. Neelin
G. Ranalli
M.K. Sundaresan
K.S. Williams

ENGINEERING/ARCHITECTURE

G. Lynn
F. Carter
M. Bibby
R. Kind
S. Mahmoud
R. Thomas
G. Hartley

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F.E. Montgomery