

*Teleglobe Canada*

of Canada, Treasury Board, or with Memotec, on what exactly is involved when the Government and Memotec say that employees who find themselves coming under new owners will have an identical pension plan. In fact, the Government has used a different set of actuarial assumptions in calculating the amount of money to be transferred from the Government of Canada to Memotec to cover the acquired pension rights which those employees have accumulated. It has used a different set of assumptions than it used in the case of the privatization of Canadian Arsenals. In that case the 1980 assumptions of the Chief Actuary were used. In the case of Teleglobe Canada a brand new set of assumptions were manufactured by Treasury Board to determine how much money should be transferred to cover the acquired pension rights of employees.

● (1730)

You may be wondering, Mr. Speaker, why I would be concerned that a brand new set of assumptions have been used. It is because, based upon the new assumptions cooked up by the Government versus the old assumptions used very recently in the case of Canadian Arsenals, employees will see anywhere between \$7 million and \$10 million less being transferred to the new owner of Teleglobe in order to cover their acquired pension rights. As the Government of Canada waves goodbye to its former loyal employees, the Minister of Finance (Mr. Wilson) reaches out the doors with his long, sticky fingers to dip into their pockets and take out \$10 million. That is what the Government of Canada is doing to its former loyal, productive, and efficient employees.

All the amendment seeks to do is to ensure that the completion of the sale and the proclamation of the Bill into law will not occur until the Government of Canada, like the tardy pickpocket, "fesses up" to the \$7 million to \$10 million taken in a shameful manner out of the pockets of employees and ensures a proper transfer of funds to cover the acquired pension rights and benefits of 1,107 employees who have been rudely awakened to the fact that they are suddenly working for a new employer. They have also awakened to the fact that the Government of Canada, in a shameful, callous, and repugnant manner in a \$600 million privatization deal, has reached out to try to pick their pockets. That is all the amendment seeks to do.

All the Government must do to see the Bill proceed is to come to its senses. It must acknowledge this bit of dirty work, find whatever excuses for it that it must, and make right what is wrong in this attempt to ram the Bill through Parliament.

**Hon. Barbara McDougall (Minister of State (Privatization)):** Mr. Speaker, I would just request that the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) speak up when he is speaking in the House, because we always have a problem hearing him.

In the midst of all he had to say there was a point very well taken, that is, his suggestion of some kind of pre-study. One thing we have done through the privatization process, certainly

in connection with Teleglobe, is to make a considerable amount of information available. We have produced our Bill in an open and forthright way. In fact, I invited all Members of Parliament to a briefing the day after it was announced. I am sorry that no Members showed up for the briefing. However, we have done everything we could by providing an information package and so on for all Hon. Members, because we recognize that this is a complex and important issue and we want to ensure that all Members understand it.

Let me say that the Hon. Member's suggestion of some sort of pre-study is a good one. I am quite prepared to take it under advisement. I think that was the essence of the first part of his message.

Let me say on the amendment that as written it would have the effect of postponing in perpetuity the closing of the transaction. He suggested that we keep the Bill open until every "t" is crossed and "i" is dotted and every demand of every employee has been met. That could go on for some considerable length of time, long after the Hon. Member across the way has moved on to more interesting challenges in other parts of the country.

The other point about the amendment is that he takes it in a circle. Until such time as the Act is proclaimed, a new corporation cannot be established and the amendment pre-conditioned for proclaiming the Act cannot be satisfied.

Having laid to rest that there is any inherent merit in the amendment, let me turn to the issue of employee benefits, one of the concerns of the Government when it put together the arrangement for Teleglobe and its employees. The employees are actually better off than they were before. They asked for and received a public service plan equivalent. They were offered a mirror plan to the public service plan.

The employees have three options. They can opt for the normal pension options available under the PSSA, which include the return of contributions, immediate pension, deferred annuity, or annual allowance depending upon age and service. They can transfer their past service into the new PSSA equivalent plan, or they can retain their accrued pension benefits in the PSSA with future service, with the new employer counting toward establishing their eligibility for various PSSA benefits.

Memotec has also agreed to count prior service with the PSSA toward establishing eligibility for various benefits under Memotec's PSSA equivalent plan. The key concerns of employees, as they were presented to us by them, were the establishment of a mirror plan by Memotec, the adoption of a going concern basis for calculating amounts to be transferred, legislating a continuity of service option, and securing contractually the recognition of all PSSA service.

That is exactly what the employees have. In addition—and it is something they could never have in a Crown corporation—they have an employee share purchase plan which allows them interest-free loans with which to buy shares in their company. Hon. Members of the House should have so good a