

Teleglobe Canada

GOVERNMENT ORDERS

[English]

TELEGLOBE CANADA REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

The House resumed from Wednesday, March 25, consideration of Bill C-38, an Act respecting the reorganization and divestiture of Teleglobe Canada, as reported (with amendments) from a legislative committee; and the amendment of Mr. Tobin (p. 4569).

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to speak on the amendment to Bill C-38 proposed by the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) which reads as follows:

That Bill C-38 be amended in Clause 35 by striking out lines 33 to 35 at page 19 and substituting the following therefor:

"35. This Act shall come into force on a day or days to be fixed by proclamation but not until an agreement incorporating an employee compensation program has been negotiated and accepted by the employer and the employees of the new corporation established pursuant to section 4 of this Act."

Today's discussion on Bill C-38 bears a strange resemblance to what was discussed in the House some months ago when we had to come to grips with an identical problem dealing with Canadian Arsenals. I took part in that debate because of my interest in public service pension plans and because I thought at the time that the Treasury Board was not playing fair ball with the employees. We were asking that the Treasury Board come to an agreement with the employer before the deal went through, and we got that. The employees were satisfied, everyone was happy and the Bill went through.

This time there seems to be some resistance. In this new situation, the Government is essentially pleading that it cannot meet with the request of the employees to give them the \$10 million they require to fund their new pension plan fully because of what is called streamed actuarial assumptions. It is a little difficult for most of us to understand what is meant by that because the figures are not forthcoming from the Government. It does not seem to be too generous with information. I would like to relate to the House my experience with actuarial assumptions.

As we know, assumptions are made by actuaries based on certain things such as the interest rate anticipated to be paid, the anticipated cost of living index and the increase in salaries of the employees which will, of course, become a cost to the employer. Many other things are considered but those are the main considerations. We know that until last year, the so-called experts in the insurance department of the Government were telling us and the Auditor General that the combined Public Service Superannuation Acts including Canadian Forces superannuation, the CFSA, the RCMPSPA and the elementary retirement benefit plan had a combined unfunded actuarial liability of some \$16 billion. We were told how terrible that was because with an unfunded liability of \$16

billion, public servants were receiving pensions which were based on poorly funded sums of money.

That is a lot of nonsense, and most of us know that today, because these so-called streamed actuarial assumptions have been changed in the last year. We are now being told that there is not \$16 billion in unfunded liabilities but it could possibly be that because of new assumptions, there is \$4 billion but they are not so sure. As a matter of fact, the Treasury Board told me not very long ago that it could amount to \$3.7 billion. That is a \$12.3 billion error in assumptions made by professionals under circumstances which are easily understood to me as being a sham.

I would like the Government to tell us how we can reconcile a deficit of some \$16 billion a year ago with a deficit of some \$3.5 billion to \$3.7 billion now, because the same people are using another method called streamed actuarial assumptions.

I cannot blame the employees of Memotec for telling the Government that they do not buy that junk and nonsense. Neither do we. That is why we put forward the amendment. Until the Government comes up with assumptions that are believable and that we can understand, and we are not that dumb, until the Government comes up with assumptions that we can publicly quote as being reliable figures, assumptions that are defensible, we will continue to ask that employees and the Government be able to negotiate before the final signature is put on this transaction. In that way what the Minister yesterday called the mirror pension will have the actuarial stability required so that the employees can depend on the plan.

• (1120)

The \$15 billion or \$16 billion figure mentioned by the Auditor General in his report, and used repeatedly by Treasury Board until recently, was fictitious, to say the least. It was an estimated assumption based on what is called market trend. That, essentially, is the debate we will be getting into when Bill C-33 is called. That should be a very interesting and long debate. I can tell you that based on the figures we have been given, we will not buy a pig in a poke and easily go along with the Government when it tries to tell public servants that their pension fund, which is nothing less than their money set aside for future use, will be fiddled around with by the Government to suit its purposes. We will not sit idly by while the Government tells its employees what they should be getting from these plans. It has to be a joint effort and it has to be done in a fair manner. I hear the Hon. Member for Ottawa—Carleton (Mr. Turner). I hope he will speak in the debate and give us his views. It is very important for these employees to know what figures the Government is using and the assumptions it is making. If the Government changes the assumptions to fit its purpose, that is wrong, and I think he will agree with me on that.

In closing my remarks I would like to say that indeed I hope the House will see fit to approve this motion to incorporate in the agreement an employee competition package which would