

*Teleglobe Canada*

look after the interests of those employees regarding their pensions. We will then have dealt fairly with these people.

**Mr. Steven W. Langdon (Essex—Windsor):** Mr. Speaker, it is very important to realize that, if the House does not pass this amendment that will contradict what the Minister, with whom I have just been chatting, indicated publicly in her statements at the time this privatization was announced, that there was acceptance by the employees involved to the pension plan suggestions which had been made. I am not sure where the mix-up in communications took place, and I certainly accept it as just that. However, it is quite clear from testimony we heard in committee that that is not the case.

I would like to review for the House some of that testimony we heard from a group which calls itself the *ad hoc* pension committee representing all the employees of Teleglobe. They described to us their meeting with Treasury Board officials, at which they hoped to clarify a series of important questions, as having been something like the James Bond movie *Dr. No*. In their view, each question they asked was answered with a negative. That left them without assurances and without satisfaction.

They asked first that the Canadian Arsenals case be a precedent for their pension plan. We are told by Treasury Board that this is not possible. To give a sense of just exactly what this means, we later questioned Treasury Board officials and they conceded that the difference was some \$7 million which would not be transferred to the funding for this pension plan. That money would have been transferred had the Canadian Arsenals example been used. That figure, when divided among the number of employees at Teleglobe, amounts to a reduction in benefits of something like \$10,000 per year, per person. In all fairness and justice that is not something this House can accept.

The employees stressed the fact that there were other concerns as well. First, it was necessary for Memotec to say that it retains the right to change the pension plan. Memotec was quite honest and forthright in saying so. Frankly, it is a good pension plan, but the company retains the right to change the plan's conditions and reduce benefits if there are changes in business conditions affecting Teleglobe. Of course we know there are various risks facing Teleglobe. There is the risk of being bypassed by other telephone companies, especially the provincial companies. If that occurs, Teleglobe could very easily face a serious decline in its business prospects. It is also quite conceivable, and this is in fact envisaged in this privatization move, that the monopoly presently held by Teleglobe on overseas telecommunications will have to end in five years' time. It is possible that the termination may be extended a little bit longer, but in any event, we are faced with the likelihood that the monopoly will be eliminated. That gives serious cause for concern to the employees of the company and Memotec itself. That is why Memotec says it cannot guarantee that this generous pension plan will be maintained.

In addition, the employees talked about the possibility that Memotec itself is susceptible to a takeover. This privatization has been financed in an extremely risky way. An individual bank has put up most of the capital. In such a situation it is quite likely that at some time in the future Memotec itself will be a potential victim for takeover. If it is taken over, of course, there is every possibility that the pension plan which it will have established for its employees can be changed.

• (1130)

In addition, in the Bill itself there is no explicit or even implicit commitment to job security for the workers. For that reason workers have quite rightly said that they want a funded pension plan provided which will guarantee to them the benefits which they believe they have already earned under the public service superannuation system of which they are part.

When the Government brought in its plans for the privatization of this company it said that it had solved these pension problems. Therefore, it seems to me perfectly sensible that this amendment be accepted. The amendment does not stop the privatization but, rather, puts into place one of the conditions which the Government itself stated was important to have in effect at the start of the privatization process.

The Minister has stated her belief that this legislation gives workers an extremely generous set of pension options. Unfortunately, this view is not shared on the other side. We heard from three groups of workers, the union itself, the supervisors, and the *ad hoc* representatives of those concerned about pensions in the company. Every single one of them stressed that they were not satisfied with this pension and were concerned about a potential loss of at least \$7 million in benefits and a loss of some specific benefits explained to us by the head of Teleglobe, Mr. Delorme. Those specific benefits which the workers now have will not exist under the new plan.

In those circumstances I cannot see how, in conscience, this House could pass legislation for privatization which runs counter to that to which the Government is committed which is still a large question mark at this stage. It is for this reason that my colleague, the Member for Churchill (Mr. Murphy), seconded this motion. It is for this reason that we sought in committee to suspend hearings for 10 days to permit an agreement to be worked out between workers, the company and the Government with regard to pensions.

Unfortunately, there is an inordinate thrust on the government side to get this legislation passed, which I can only interpret as an effort to get the money received for Teleglobe into the national accounts for this year in order to make the deficit look better. I cannot understand a Government putting those kinds of public relations concerns before a commitment to which it gave effect in its statements and to which we should all be party, a commitment that workers be satisfied with the pension arrangements in a privatization deal such as is occurring here.

**Mr. Deputy Speaker:** Is the House ready for the question?