

*Teleglobe Canada*

pension arrangements of employees at Canadian Arsenals and those at Teleglobe Canada.

Let us challenge the Government to provide at least equal arrangements for the employees of Teleglobe Canada, as it has already provided for employees at Canadian Arsenals.

Let us deal with why people at Teleglobe Canada are feeling insecure about their pensions. Of course, the first reason is that the company has the right to change the pensions if demand or the economy changes. If we know anything today, it is that the economy is changing, does change, and will change.

Also the monopoly enjoyed by Teleglobe Canada is being phased out. It will be more subject to the whims of economic circumstances, which will undercut the security of pension arrangements. Provincial telephone companies are talking about bypassing Teleglobe Canada and using American systems. That will weaken the economic base upon which the pensions of employees at Teleglobe Canada rest. Some of the employees are afraid that Teleglobe Canada can be subjected to takeover. If the company were taken over, and given the fact that the pension agreement includes a clause allowing the company to change it, a new management may exercise that right and thereby undercut the pensions which they negotiated over the years.

[Translation]

Mr. Speaker, I stress the fact that the pensions which Teleglobe Canada employees seek to protect represent fringe benefits they earned through collective bargaining. They are not looking for gifts, they simply want to protect their rights, to protect the fruit of their labour over the years.

I strongly urge the Government to negotiate a commitment with the employees to safeguard their pension benefits so they will be able to look forward to secure retirement years.

Mr. Speaker, I see that I have only one minute left. I simply want to say that we question the Government policy to privatize Teleglobe Canada because sound public policies do militate in favour of keeping Teleglobe Canada within the public sector. However the Government has decided to privatize Teleglobe Canada. Even so, it has to protect the interests of the current Teleglobe Canada staff, just as it must be fair with them and make sure that the pension rights they have already acquired will not be frittered away.

Mr. Speaker, I think it is only fair that the Government take both time and care to negotiate an equitable arrangement to protect the pensions of these employees.

[English]

**Mrs. Sheila Finestone (Mount Royal):** Mr. Speaker, we on this side of the House are not favourable to the sale or privatization of Teleglobe Canada. It is not because we are against privatization. It is because we are against privatization at any cost.

However, the Government has decided in its poor wisdom to sell Teleglobe. That being done, we are very pleased that

Memotec is the purchaser and that Memotec saw fit to offer the employees a pension plan which would be identical to their present one. There is a small problem with that, Mr. Speaker. One has to look at the fundamental flaw in the way the Government dealt with Memotec and the employees in this instance. The Government has again found a way to save itself money, but at whose cost? If it were at the cost of Members of Parliament we would be screaming blue murder, but the saving is at the cost of the 1,100 workers or more who work for Teleglobe and who will now be working under the Memotec leadership. They are not complaining about that. They are happy and are looking forward to the creative and dynamic leadership with the synergy that will come about as a result of this decision.

● (1220)

One has to look at Canadian Arsenals Limited and what happened to it. We should look as well at the chief actuary's report and at the financing. What about the workers who are transferred as a result of the sale and privatization of this company? We should see if we have been fair and equitable to the workers of Teleglobe. In my exchange with Mr. Kingsley from the Department I said:

[Translation]

Mr. Kingsley, first, do you agree that an assumption has been changed through pension evaluation, that you changed your calculations, and if the interest rate for the first five years is changed, do you not agree that the amount transferred is no longer the same? In other terms, you were trying to save Government money when you said those transfers involved \$7 or \$8 million. However, the actuary hired by Teleglobe Canada employees indicated that those transfers were rather in the order of \$10 million. This means you are trying to save Government money by changing the plan's financing terms and the end result is that your evaluation upsets the symmetry of actuarial assumptions, which explains the transfer difference between the evaluations made by the Government actuary and by the employee actuary. This means the pension fund would have a deficit, and that deficit would not be made up immediately. As you know, the deficit should be made up over 15 years.

[English]

The question is, will the company be able to make it up? Is the Government being fair to Memotec, which in all good faith and good will is prepared to present, give, support and supply those workers with fair and equitable treatment? With an enriched pension plan it will meet its commitment. The Government will thereby save itself money, underfunding Memotec's initial investments. I think this is all unfair, unconscionable and unacceptable. With that thought in mind, my colleague moved:

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