

Teleglobe Canada

They are reasonable people. They are not screaming for the sake of screaming, and the Minister had better deal with the issue if she wants to get this Bill through the House of Commons.

Mr. Tobin: Management as well as union.

Mr. Waddell: My friend says management is not too happy with the situation either. I have dealt with the union people. They are here in the House. They tried to get a meeting the other day with the President of the Treasury Board (Mr. de Cotret). I am told they were unable to have a meeting with him personally. The Minister should meet with these union people before the Bill goes through and maybe before this clause goes through because I suspect it will be debated for a little bit. The Minister should at least talk to them to see if she cannot work the matter out. The union people tell me that the Government is pocketing \$10 million and that in committee it admitted as much. There is a problem here, Mr. Speaker. If the Minister wants to be accommodating, she should deal with the union people on the principle that workers should be no less better off after privatization than before. I think that is a principle the Minister should accept.

Before I sit down, let me say that, tied in with this, I want to draw your attention, Mr. Speaker, is a matter that arose in the committee that worried me somewhat. Perhaps it is another reason that we should go slowly in passing the Bill at committee stage. I am speaking of the international aspect of Teleglobe. Teleglobe will be taking over some international obligations of the Government because Teleglobe was into international treaties. One involves Commonwealth countries, I think it is called the Commonwealth Communication Organization Financial Agreement. Canada went into that along with Britain, Australia and New Zealand. So much is paid per year. Teleglobe contributes \$1.5 million a year to this group. If I might put it this way, it is really foreign aid in a different aspect. It helps Third World countries with the development of telecommunications matters. It is foreign aid by another name, if you like. Who will continue to keep that up after the agreement expires in 1989? The Government should have another look at that. I get the feeling that Memotec is just starting to realize some of what it is involved with. I call Memotec "Minnowtec". It is a minnow that swallowed a big whale called Teleglobe. The minnow is discovering that there are a lot of hidden obligations it must look into.

I hope the Minister will have another look at that in order to clarify the situation when she speaks on third reading of the Bill. I hope she will have another look at the pension matters as well. She has given an answer today, but I point out to her that through evidence in committee it appears that the Government will be making some money from this deal, or at least not forgoing as much money. The union people are terribly unhappy about that. I think they are reasonable people. Something smells here, as my friend from Humber—Port au Port—St. Barbe said.

[*Translation*]

As my hon. friend from Newfoundland has said, there is a problem with the unions. We in the NPD say that this Government, and especially the Minister, should look again at the situation and treat the unions and the workers fairly. We say that the workers should find themselves in the same situation after taxes as before the company changed hands. This principle is fair and the Minister should look again at what will happen to the pensions of the workers.

● (1750)

[*English*]

I hope the Minister will take another look at it while we are debating this Bill and will work out an accommodation with the unions involved so the Bill can go on to third reading.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I would like to take a few moments to speak in favour of the very thoughtful amendment presented to us by the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin). I hope the Minister will stick around because there are things to be discussed which are very important.

First, the Minister will recall that last year, the House dealt with Bill C-87, the divestiture of Canadian Arsenals. The Parliamentary Secretary says that he recalls, and he should remember, that at that time we obtained benefits for the employees that are substantially better than those we are coming up with today.

I ask the Minister just as she is about to leave the House if she is aware of the report on the valuation of assets and liabilities of Teleglobe Canada prepared by Touche Ross. The Touche Ross report indicates that there were no restrictions on the scope of its assignment except that it was specifically requested not to address the question of pension rights of Teleglobe employees.

Mr. Marchi: Why?

Mr. Boudria: My colleague, the Hon. Member for York West (Mr. Marchi), asks why. The answer is right here. The answer is that the Government did not want anyone to know what was in that report. The reason the Government did not want that was so that in the process of divesting, the piggy bank could be raided. In fact, according to estimates given to me by Mr. Carlos Saldanha, President of the Canadian Overseas Telecommunications Union, his members will be losing \$10 million as a result of this, and he claims to have an actuary's report to prove that.

In the case of Canadian Arsenals, I assume we used correctly a specific set of assumptions to arrive at the value of the pension fund. We used a 1980 chief actuary's report in its entirety in that particular case. It must have been right because we passed the Bill. This time we are using something that is totally different when employees of another Crown corporation are being privatized. Surely this cannot be right. Either the other case was wrong or this one is wrong.