

The CPR seems to have more clout or weight around this country than the government itself. Now that we are dealing with a bill that has to do with the reconstructing of the finances of the Canadian National Railways, I think we should make the point again that the government should get into the picture and insist that the railways have to give their workers a better break, particularly when they become pensioners.

I have already said that the problem applies to both the Canadian National Railways and the Canadian Pacific Railway. It is true that in the terms of this bill we are dealing with the Canadian National and most of what I have to say applies to it. Because the Minister of Transport (Mr. Lang) has to deal with both companies, however, I think it is only fair to remind him that he has some responsibility with respect to Canadian Pacific as well.

A few days ago, not by any action of the Canadian government and not because of anything voluntary on the part of CPR, certain secrets came out in the United States to the effect that the 1977 salary of the president of Canadian Pacific, Mr. Ian Sinclair, was \$330,450.

**Mr. Benjamin:** Poor fellow.

**Mr. Knowles (Winnipeg North Centre):** He is not poor at all. It is the next two who have to get along on much less. The next two senior officers of Canadian Pacific earned in 1977—\$193,950 and \$146,550. For a company to be able to pay salaries like that to its senior officers and plead that it cannot give its pensioners a better break, does not go down.

One of the things that Dr. Hall included in his report that was given to the minister in September, 1976, was a letter that he had received from a gentleman named Mr. B. H. Emerson. At that point he was 92 years of age so I do not know whether he is still alive, although I have no reason to suspect he is not. This Mr. B. H. Emerson wrote Dr. Hall about the experiences and record of his family as workers for the Canadian Pacific Railway. He gave Dr. Hall the basic facts in a letter to which he attached a rather lengthy memorandum telling the whole story.

Summarized, the story is of five generations of Emersons working for the Canadian Pacific Railway. Mr. B. H. Emerson retired in 1947 at age 65, and in 1974, at the age of 92, his pension was only \$83.53 per month. The story is of Mr. Emerson's father working for the CPR, Mr. B. H. Emerson himself working for the CPR as did his son and two more generations. It so happens that Mr. B. H. Emerson had a son who later became president of the CPR. He succeeded Mr. Crump. Unfortunately Mr. Emerson was president of CPR only a few months before he died of a heart attack.

Several years later Dr. Hall got this letter from the father of the late president of the CPR saying here is a family of five generations working for the CPR and at 92 years of age his pension is only \$83.53 per month. But President Emerson's successor, Ian Sinclair, receives a salary of more than \$330,000 per year while that company cannot do better for the father of the previous president than to pay him a pension of only \$83.53 per month. Dr. Noel Hall said he had not sought

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Mr. Emerson's permission to include this letter in his report and hoped he was not embarrassing him by making it public. But he put it in his report because he thought it indicated the human problems that are associated with small pensions in the face of rapidly escalating wages and prices.

● (2102)

I make the point, Mr. Speaker, that these railways could do a lot better. And although I heard one of my friends to the right the other day speaking with some disdain about the fact that we were complaining about a salary of \$330,000 a year for one man, I still say it is not human, it is not decent, it is not civilized, to have a society, a country, in which some people can have great wealth of that kind and so many others have to live on the edge of poverty. If we claim to be a civilized society, if we claim to be building a society of which we can be proud, if we claim to be building a Canada which is a leading country in the world, surely the problem that we ought to address ourselves to is some equalization in the living standards and the incomes of our people.

If you want a glaring example of gross inequality which is seriously unfair, it is there in the story of the CPR paying a \$330,000 a year salary to Mr. Ian Sinclair but paying only \$83.53 a month to Mr. Emerson, the aged father of Mr. Sinclair's predecessor as president of the CPR. We do not have corresponding statistics for those who are in the top positions of the Canadian National Railways. I am quite satisfied they are not as extreme, that those at the top of the government owned railway are not getting salaries of that kind. But it is still true that there is a wide gap between the positions of those at the top and those at the bottom. I just do not buy it. Criticize me if you will for believing in an egalitarian kind of society or of pushing in that direction, but if we are going to be civilized, that is the direction in which we ought to move.

It is my contention that there are certain improvements that ought to be made in the pension plans of both railways. It has become very clear that the government will have to get into the picture. Appointing Dr. Noel Hall and giving three or four years for the holding of inquiries, and the making, printing and translating of reports, does not do the job. Leaving it to the companies to negotiate with the employees does not seem to do the job. The government does not mind providing all sorts of funds to these railways. Even the privately owned company has been able to milk the government and the country for all of this century, and more than that. If that is the position, surely we have a right to ask the government to intervene and say to companies like the CNR and the CPR that they should be giving their pensioners a better break.

Among the things that still ought to be done is to put the pensions on a basis of 2 per cent credit per year for each year of service no matter when that service was. This business of still paying some pensions based on 1 per cent, 1¼ per cent or 1½ per cent per year back in the earlier years does not stand up in this day of higher prices, higher wages and higher pensions. That is a minimum requirement that ought to apply to all railway pensions. If we are going to put the CNR in a