

railway and the government, hand in hand with management, is retiring that debt. It is our contention that we have been had!

Mr. Egan made this statement when he appeared before the committee. Now, since this tampering has become a matter of public knowledge, here is what appeared in the *Kitchener-Waterloo Record* on Monday, May 11, 1970.

Peter Carew, Executive Secretary of the Canadian Railway Labour Association, says that the recent reduction in the unfunded liability of the Canadian National Pension Fund is a "devious, immoral action, little short of embezzlement" and "morally the action is little short of theft".

The committee heard various witnesses, including Mr. C. T. Vance, representing the Retired Railway Veteran's Association, Edmonton, Alberta. When the member for Crowfoot (Mr. Horner) asked him, and I quote:

My concern is with the reduction in the pension plan of the \$371 million which apparently was approved by the Superintendent of Insurance. What justification is there for the approval of this reduction—

Mr. Vance replied:

Well, he must have approved it. I am assuming he did because I made a request of Mr. Humphrys that the entire Canadian National pension plan be audited and that we have a report. I have no hesitation in saying to you, sir, that they were skating on rather thin ice to avoid an audit. That is all I can say to you, sir. I have nothing more to say than that.

I think that had there been an audit, some of the things that I am complaining of might have come to light.

Mr. Speaker, in so doing, the government allows one of its corporations not to take into account a \$371 million debt and, then, it acts independently to avoid an audit. Such behaviour is really dishonest and is a matter of deep concern for the people already on pension. And the employees still at work wonder what the future holds for them.

Their state of mind shows in their testimony, to which I take the liberty of calling the attention of the House. Among the witnesses heard on June 4, Mr. Vance, while testifying again on behalf of the Retired Railway Veteran's Association said, as reported in No. 31 of the Minutes of Proceedings and Evidence of the committee:

Dealing with the Pension Plan, if the information we have is correct, votes are not taken on the Pension Board. It is a matter of the Railway bringing in a proposition, laying it in front of labour representatives and saying, "That is it; take it or leave it". And when suggestions are made by the employees recommending change the Railway immediately bring out of the so-called deficit which they created and they suggest to the employees that if they want to pay more then certain changes "might" be made. We believe it is essential that the Pension Board become a decision-making Board, rather than function strictly as an advisory type of Board.

During the past two years the railway temporarily has introduced early retirement schemes designed to encourage the over 55 age bracket to take their pension. Particularly on the most recent occasion, this has not been done on a fair and impartial basis. There are numerous instances of employees being turned down, even though there are laid off workers available in his occupation. While the money used for the scheme is not drawn from the pension fund, it appears obvious that the railway has money available for pensions whenever they consider it in their best interests. We suggest this money be placed in the pension

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fund in future, and arrangements made to use it in a more equitable, fair and impartial manner.

Mr. Speaker, here is what Mr. Egan, the representative of the 225-member Local T-700, said:

Mr. Chairman, Committee members, and ladies and gentlemen. Previously, as a conductor and trainman with the Canadian Pacific Railway, and now in the same capacity with the Canadian National Railways, I am in a position to know what our men want and need for a pension plan, and what should be done to have an equitable arrangement with the Company.

Every 14 days we contribute to the plan at the annual rate of 5.5 per cent on the first \$5,100, and 6.5 per cent on the balance.

We now have a situation whereby we are the contributors and the recipients, but we do not make the rules nor do we have the power to change them as economic conditions demand. We are at the mercy of the Company and the Pension Benefits Standards Act administered by the Superintendent of Insurance. We will point out later in our brief that this arrangement leaves a lot to be desired.

The main theme of our brief is that at this time, with the amount of money that should be in the Canadian National Pension Fund, and with the contributions that will be coming in the future, the fund should be of such stature that we could have a plan which would carry itself in the not too distant future. This plan would give us all that we could hope for, as well as upgrade those already on pension.

Other themes are as follows:

1. To bring back dignity to those already on pension and who are existing on the poverty level. May I stress this? It is the poverty level.
2. To have an equal voice in administering this fund.
3. To create a Canadian National Pension Fund Corporation, completely independent of the Company and the government.
4. To force the Canadian National Railways to pay back to the fund the \$675 million that was borrowed at 4 per cent for 60 years.
5. To force the government to cancel the reduction of this debt by \$300 and some million—I have \$300 million in the brief—with the claim that it was a surplus of funds.
6. To separate this fund from the Canada Pension Plan.
7. To strengthen the hope of all contributors to this plan of an adequate pension based on a rising economy so that we would never have to come on a bended knee to a committee such as this and ask for justice because of poor administration of our fund.

We are of the opinion that there are a number of things which should be done immediately. We are ashamed of our government; we are also ashamed of the Canadian National Railways.

We have shouted long and hard, but to no avail.

Mr. Speaker, as I still have much to say, allow me to call it five o'clock.

● (4:50 p.m.)

[English]

Mr. Deputy Speaker: Order. The hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Howe), at the conclusion of his speech some minutes ago proposed an amendment. The Chair took the amendment under advisement but did not put it to the House. After consultation with Mr. Speaker and officers of the table, I would like to make a ruling on the amendment now. However, in view of the fact the hon. member is not in his place, if hon. members would agree, this could be done at eight o'clock.

Some hon. Members: Agreed.