

*Proceedings on Adjournment Motion*

made a short statement which concluded with this sentence:

I am advised, Mr. Speaker, that provincial legislation will not apply to these companies.

The reference was to Canadian Pacific and Canadian National pension plans. The very next day, January 26, in the Ontario legislature Mr. Wishart, the Attorney General of the Province of Ontario, answering a question put to him by Mr. Donald MacDonald in that house gave a legal opinion to the effect that in part at least the provincial legislation would apply to Canadian National and Canadian Pacific employees residing in the province of Ontario. Mr. Speaker, there is confusion right there; the federal Minister of Finance saying that the provincial legislation does not apply and the provincial Attorney General saying that the provincial legislation does apply at least in part, and they were talking about the same companies.

What we are talking about in the over-all picture is the need for legislation regulating private pension plans. When we talk about regulating them we have in mind the necessity to guarantee portability and we also have in mind regulations respecting both the vesting and the investing of funds and the conditions that pension plans operated by private employers should observe.

Now, a number of provinces have such legislation governing pension plans coming under provincial jurisdiction. As yet, there is no such legislation in the federal field. In other words, companies like the Canadian Pacific Railway, Canadian National Railways, banks and others that are under federal labour jurisdiction are a law unto themselves so far as their pension plans are concerned.

There was a day when there were certain rules and regulations under the Income Tax Act which had some controlling effect. However, some of our constitutional people decided that this was ultra vires of the power of the federal parliament, and even those provisions were wiped out. At the moment, therefore, there are no regulations governing private pension plans that come under federal jurisdiction. This is obviously unfair to the persons who are members of those plans.

The most glaring example of this unfairness is, of course, what has happened in recent weeks or recent months with respect to the Canadian Pacific pension plan. Here is a plan which is operated by the Canadian Pacific Railway. True, there is a seven man board on which there are three representatives of the employees. Of course one can see

[Mr. Knowles.]

that these employee representatives are outnumbered. In actual practice, when the Canadian Pacific wants to alter its pension plan, it does so unilaterally. It has done so in the last few weeks. It has put out a document called "Plain Talk" which the company has distributed to its employees, simply telling the employees that as of January 1, 1966, the plan is changed.

Now, some of the details of these changes, we think, are regressive, very reactionary. For example, the compulsory nature of the plan has been eliminated. It is no longer a condition of employment and employees from here on are given the right to opt out of their company's pension plan. They are even encouraged to opt out, no matter what it may do to their future security.

Of course, in doing so they are called upon to sign a statement which would surrender many of the rights that normally go with pension plans. It is also a condition that if an employee who is now in the Canadian Pacific plan opts out or any new employee joining the plan does not opt in, he can never get back in or get in, as the case may be. In the light of today's thinking, we believe that this sort of thing is wholly irregular. I am not going into the whole question of the conciliation that is being sought by employees with regard to the matter. The point is that this unilateral action is possible in Canada because there are no laws, no regulations governing private pension plans that come under federal jurisdiction.

My colleague the hon. member for Winnipeg North (Mr. Orlikow) followed my question this afternoon with a supplementary question. I see he is also on the late show, so there will be a detail or two that he will raise later. My whole point, and I press this on the government, is that this matter is urgent. Every Canadian Pacific employee in the country knows it, the employees of other companies under federal jurisdiction also know it, and I think it is not good enough for the government to keep putting it off. I have a list of dates on a page of foolscap indicating the number of times that this legislation has been promised by the government. It was the former Minister of Finance who first offered it in December, 1964. I see you are on your feet, Mr. Speaker, so I cannot give my list. However, it has been offered and promised so often that time must not be allowed to slip by any further before action is taken on this important issue.