

plan and used it for purposes no one knows about except Conrad Black.

I want to point out to you that at the federal level alone in 1980 some \$93,806 were taken from plans under federal jurisdiction. The following year that jumped to \$1,365,700, and between then and 1985 there has been an increase each year, until finally in 1985, \$30,023,343 was lifted out of pension plans under federal jurisdiction. Much of the same kind of thing has been happening to pension plans under provincial jurisdiction.

It comes down to a point, I think, where a real principle is involved here. If you listen to the administrators of pension plans and employers, they make the argument that pension funds belong to them. Therefore, if any surplus is created, it is their right to step in there and use the surpluses for their purposes, and the same when a pension plan is being wound down.

I reject that argument totally. Pension funds belong to employees, not simply to employers. If, indeed, there is a surplus in a pension fund due to wise investment practices, then that surplus should not be used simply for an employer's own purposes, it should be used for providing increased benefits to pension plans such as inflation protection and survivors' benefits. It could be used for all kinds of purposes to make retirement a little easier for Canadians who have worked hard, in many cases for the same employer all their lives.

The purpose of this amendment would be to say, in effect that the employers who have managed to do this successfully over the past years are not going to be able to do it any more. If a plan has earned excess interest, that money should be used to improve the benefits that are payable to retired employees.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I am not going to go over the points made by my colleague from Beaches (Mr. Young), but I think it is important to note that one of the provisions in this Bill is going to allow for the first time pensioners the right to stay and sit on management boards of pension funds.

I know that as Members of Parliament we have all been besieged by requests from individuals who have worked for CN and for other companies who, once they have retired, have lost all rights to have their pensions protected. This is not a criticism of the unions, but it certainly is a criticism of the companies in my view. Once a worker has retired they no longer care about the health and welfare of that worker who for so many years gave of himself to ensure the viability and productivity of the company.

● (1340)

The issue of surpluses is very technical and complex. I want to note that under this legislation, for the first time pensioners will be allowed to sit on the management board and have their rights heard by unions and management alike. For far too long, surpluses in this country have been used to improve unit benefits for those workers in the workforce but have done

absolutely nothing for those workers who are on pension. That was fundamentally wrong then, and it is wrong now.

I believe this Bill should tighten even further the ability of companies to use surpluses. Pensioners should have a right to say how those surpluses should be used. Those surpluses have been built up during years in which pensioners have been in the workforce, and those surpluses should be divided so that the benefits do not only go to the workers of the day but that they go to the pensioners of tomorrow.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I want to take a moment to add to the remarks made by my colleague, the Hon. Member for Beaches (Mr. Young). In most private pension plans, the employee contributes perhaps 5 per cent, 6 per cent or 7 per cent of his earnings. The employer rarely matches that contribution but agrees to contribute what is required to give the employee the pension he has earned when he retires. I agree with my colleague when he says that that money belongs to the employees. While it may be legal, it is essentially theft when the employer takes the surplus.

Therefore, I believe every Member should support this amendment.

[Translation]

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I also want to support the amendment moved by the Hon. Member. As he mentioned it, Mr. Speaker, a pension plan surplus does not belong to the business concerned only and the example of Conrad Black clearly illustrates the shortcomings in the management of private pension funds. However, the principle involved can also apply to the management of the Canada Pension Plan. I think that there is still plenty of progress to be made and this is why a while ago I was pleased to hear the Minister say that he will go on with the pension reform because both bills under consideration are just a mini-reform.

[English]

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 2 standing in the name of the Hon. Member for Beaches (Mr. Young). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed please say nay.