

The Government of Canada has paid an appreciable sum of money for the Noel Hall Inquiry. The recommendations were sound and would be of great value to our society if implemented. The failure to implement these recommendations may properly be attributed to a failure by the Government of Canada to use its influence with CNR and CP Limited to whatever extent would have been necessary to put Dr. Hall's recommendations into effect.

The letter concludes:

The certified bargaining agents for both CNR and CP Limited have co-operated fully with the Railway Companies in their dealings in respect to pensions and have acted contrary to the best interests of all railway pensioners. To the extent that these so-called labour union leaders are associated with the New Democratic Party, that party is culpable.

This document is signed by J. Earl White who is the national president. I spoke to Mr. White today to let him know that I would be drawing attention to his document tonight. I asked him whether he would stand behind his statements. He assured me that he would, and that I could use anything I liked from the document I have quoted.

The Pensioners Association wrote a second time, on February 20, with regard to pension plans, drawing attention to another of its concerns, as follows:

We ask only that retired railway employees be treated on the same basis as such union employees. Why should retired railway employees be discriminated against? When improvements are made in the rate of pension payable for each year of service they are for those who are still active employees. Commonly such improvements also apply to those who are already retired. This is fair and reasonable. After all if a new formula is now deemed to be appropriate surely such formula was always deemed appropriate! Except for those who retired on and after January 1, 1975 this practice has not been applied to railway employees.

● (2022)

Again, why is discrimination practised against the recipients of railway pensions?

They go on to say, Mr. Speaker:

The discrimination against those retired for 20 years and more is disgraceful!  
All railway pensions should be based on 2 per cent for each year of service.  
All railway pensions should be indexed to the cost of living.

They go on further to say:

The Trustees receive all the benefits of inflation on these large trust funds. The Railway Companies and the Certified Bargaining Agents negotiate improved pension benefits for active employees. By doing so they are using financial gains on retired employees to finance increased benefits to active employees.

These are serious charges, Mr. Speaker. They go on to state in this letter:

The profits being made on pensioners are being used to finance costs for active employees' pensions. The railway companies, with the concurrence of the certified bargaining agents, are discriminating against their own pensioners, beneficiaries and survivors.

They also point out:

CNR is a creature of the government. CP Limited is subsidized and regulated to the extent that it is treated in many respects like CNR is treated. One of those respects is the manner in which CP Limited act as a trustee for the CP Limited pension trust funds.

They then ask:

How can the government rationalize treating railway pensioners, beneficiaries and survivors as second class citizens? Why should these persons who do not have adequate incomes be compelled to subsidize active employees?

### *Railway Act*

What possible reasoning have CNR and CP Limited for not extending the current formula to persons who retired previously? There is no logical justification.

Fair treatment for senior citizens can be legislated. Such action is clearly indicated, and, it is respectfully suggested, should now be considered—

This document is also signed by their president, Mr. J. Earl White.

I hope the parliamentary secretary will bring these matters to the attention of the minister and Dr. Bandeen, and, if necessary, he might consult with the CPR about the serious charges that pension funds are being manipulated. One statement or claim is that the only reason the CNR is able to suggest it made a profit last year is because of the manipulation of pension funds. If the CNR is manipulating these pension funds instead of investing them properly so that these thousands of railway employees might receive proper pensions, for which the plan was originally set up, then we are entitled to some answers, as is the government.

We have a few more speakers regarding this bill, Mr. Speaker, but they do not intend to speak at great length. We are looking forward to having the entire bill, as well as those charges made by pensioned employees regarding the manipulation of their funds, discussed in committee.

**Mr. Jack Murta (Lisgar):** Mr. Speaker, I would like to begin my remarks by noting that I have been very intrigued by the rather free-wheeling debate that has developed in respect of this very important piece of legislation. In some circles this bill has been characterized as "housekeeping" legislation. That word makes the bill appear to be minor or really insignificant. The apparent simplicity of the bill tends to lend support to this viewpoint, but I am pleased to note that hon. members on all sides have not taken this attitude to heart.

As my colleague the hon. member for Vegreville (Mr. Mazankowski) has observed, as well as others, it is never an insignificant matter for the House to consider writing off a \$808 million debt which is owed to the government of Canada. It becomes even more important for this bill to receive the full consideration of the House when one considers that the Canadian National Railways have requested debt relief of this kind no less than four times in the company's history, and that the total value of the company's debt that has been written off during this time is in excess of \$6.7 billion. That certainly is a lot of money. Clearly this bill is not housekeeping, nor is it an insignificant piece of legislation. It is one of the more important pieces of legislation that we have been called upon to deal with in the area of transportation during this session of parliament.

In his speech when introducing the bill the Minister of Transport (Mr. Lang) stated that the government's purpose was to improve the efficiency and effectiveness of the CNR. Among the benefits which would result from this bill is a reduction in the company's equity debt ratio, about 62 per cent to some 42 per cent, which would make the CNR more competitive when compared to other North American railway companies. According to a ministry of transport press release of December 19, 1977, the CNR will then be in a position to,