

C.N.R. Financing and Guarantee Bill

holds seniority in train service I think I should not neglect this opportunity to say a few words. Moreover, as a former representative of one of the unions which represent railway employees, there is a particular point I should deal with.

First, I might say I am in no way opposed to this bill. I realize it is more or less a matter of form, something which must be dealt with if the C.N.R. is to continue in operation.

● (9:30 p.m.)

I am sure the top officers of the C.N.R. deserve commendation for the realistic view they have taken of their obligations in many respects. I refer particularly to passenger services, a type of transportation which it seems the other line has decided to abandon altogether. I will not develop this point extensively except to say that the C.N.R. has shown a greater realism in its approach to its responsibilities, something which has resulted in a much better employee-employer relations attitude.

The matter with which I wish to deal was touched on by my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), last night. It is the inadequate pensions received by many former C.N.R. employees. One has to understand the C.N.R. pension system to realize the awkward position in which some of these people have been placed. As my colleague said, if parliament is to be asked to assume responsibility for making funds available for C.N.R. operations, then we should insist that something be done for some of its retired employees.

In practically every locality there is the case of C.N.R. pensioners living side by side, both having given the company 45 years service, but the one who was pensioned off six seven, eight or ten years ago is getting a very inadequate pension, while the other gets an adequate pension. Something must be done about this. We must insist that something be done to help such pensioners, mainly those who have been on pension for seven or eight years.

I hope the new Minister of Transport (Mr. Hellyer) will insist that the C.N.R. accept proper responsibility for these people. I have received letters by the dozen from them. Many of them belong to retired people's organizations. Sometimes they send petitions; sometimes they send individual letters. They feel they are not getting a square deal. They did not have the same opportunity to contribute to pension funds as employees pensioned

[Mr. Fawcett.]

off more recently. They have been just as dedicated in their service, have worked just as hard, have served as many years as more recent pensioners, yet all they get is a subsistence pension.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Batten in the chair.

Clause 2 agreed to.

On clause 3—*Capital expenditures authorized for 1967.*

Mr. Herridge: Mr. Chairman, this clause deals with the question of capital expense. It reads as follows:

The National System is authorized,

(a) to make capital expenditures not exceeding in the aggregate \$264,800,000 in the calendar year 1967 in the following estimated amounts for the purposes of capital investment:

Estimated requirements in the calendar year 1967:

Road property	\$79,701,000
Branch lines	13,125,000
Equipment	85,304,000
Telecommunications	14,595,000
Hotels	4,875,000
Investment in affiliated companies:	
Air Canada	67,000,000
Other	200,000
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	\$264,800,000

My point in rising is to mention the fact that throughout the years the leader of our group and other prominent members of it have urged that social capital be provided by the Bank of Canada, and we cannot understand why we have to go through this procedure.

Mr. Byrne: That is the Social Credit theory.

Mr. Herridge: Well, you have got one of your members who will support me on this proposal, the hon. member for Medicine Hat. I hope to get support from him because he knows I am on sound ground. Social capital required by the federal, municipal and provincial governments should be provided by the Bank of Canada in the form of loans on the basis of securities offered by the federal government, at an interest rate which will provide for the servicing of the loans, instead of this country having to import \$1,000 million, as it did last year, of United States funds to provide capital investment for provincial and municipal governments. I see the minister looking at me, but I believe I am pretty close to the figure that was involved.

What I want to know is why we should finance our social capital through this type of bill? Why can't the Bank of Canada provide