

Railway Act

tary mechanisms to do something once and for all about railway pensions. Over the ten years that I have been here reading debates, and during the years which I was on the railway and listening to my father in the years that he was on the railway, the tragedy is that all of us are to blame for this. I blame railway management, railway employees, railway unions, and I blame successive governments.

I can remember as a member of the order of railway telegraphers in 1950 arguing at several union meetings that rather than striking and shutting down the country over the 40 hour week we should do it over the pension plan. I argued that every two years when we were bargaining with both major railways. I said that we should down tools until something significant, important and equitable was done about the pension plans. Some of the same employees and junior management people who now write to me as a member of parliament telling me how insufficient the railway pension is are the same people who disagreed with me in union meetings in 1952, 1954, 1956, 1958 and 1960. I suppose that is understandable. They were older than I and were more concerned about take-home pay than what was going to happen when they reached age 65. Of course, that is all water under the bridge.

● (2042)

I hope that in current and future negotiations the railway brotherhoods strike the railroads of this country, if necessary, on the issue of adequate, equitable and fair pensions for those who are already retired as well as those yet to be retired.

I am a third generation member of the railway brotherhood. After 32 years' service my father had to retire from the railway two years early because of illness. The company was very good about leave of absence and protecting his seniority. His pension was \$44 per month. When he died at age 64 my mother received a pension of \$30 a month, but when she reached the age of 70 the pension ceased. I will never forget her saying that when she was 70 was when she needed it most, not when she was 65. However, it was cancelled as soon as she reached 70. Bless her heart, she worked until she was 74 and that \$30 per month from the CPR did not matter. How many hundreds and thousands of people, widowers and pensioners, across this country have had to go through that, Mr. Speaker?

The hon. member's amendment would provide only a better check on the bookkeeping of the railways. It would not do anything fundamental about a change in the direction and equity of railway pension plans.

Each year in this House and at the Standing Committee on Transport and Communications we have been able to pound and hound railway management and the government as a result of what appeared in the auditor's report. All the auditor can do, however, is check the books and say that everything is in order, but no auditor has the authority and probably not even the inclination to make recommendations on changes or improvements to pension plans. That is not within his mandate.

There is no harm in the hon. member's amendment and we can support it. I suspect that the Minister of Transport (Mr.

[Mr. Benjamin.]

Lang) will not feel uncomfortable with it mainly because it will not accomplish very much. At least it will provide another avenue for us to continue the battle about railway pensions year after year.

In committee I asked Dr. Bandeen, president of Canadian National Railways—and I think I asked the Minister of Transport as well—why we did not amend this to add \$1,063 million of transfer of provision of capital or cash by the people of Canada to Canadian National Railways and that way immediately fully fund the pension plan. Instead of Canadian National Railways taking until the year 2027 to pay in the money that they owe to retired and working employees, they would owe the money to the Government of Canada and have to pay it on the same scale as they are paying to the pension fund. They would have to pay it back to the government. This would immediately fully fund the CNR pension plan. As I recall, Dr. Bandeen said he did not think it would make any difference whether this is fully funded now or in the year 2027.

I do not think he is right, Mr. Speaker, but even if he is, it is none of his business. That money belongs to the pensioners and the employees of Canadian National Railways and to nobody else. In fact, if the pension fund were fully funded now and Canadian National found that it needed capital for expansion or improvement of the system, they could borrow from it. That might reduce the amount they would have to borrow in other markets and they could pay the same return to the pension plan.

The other thing that must happen with the fully funded pension plan is that there be a majority representation of employees and pensioners on the board of directors. That must come about, Mr. Speaker.

When the railways deduct the 6 per cent or 7 per cent of whatever it is from each employee's pay cheque every month, that amount is set aside in trust in the fund. The company's equal contribution is not deducted, however. The railways show that as part of their costs of labour; it is shown as a deduction in the cost of operation and as a deduction for income tax purposes, but they do not put the money into the pension plan. Each year they obtain at least a tax benefit on their legal, contractual obligation—their share of the employees' pension plan which they keep. In less polite circles that is called stealing.

This legislation should pass quickly and allow the CNR an additional \$1,063 million to fully fund the pension plan. In fact, perhaps we should throw in another billion dollars for the CPR unfunded liability in their pension plan. Then the railways could repay the government immediately rather than taking 60 years to repay the pensioners and employees. Surely that would be far more sensible and equitable and even common justice.

If this amendment is accepted we will get a good report on the pension plan from the auditors, but they will not be inclined to make improvements on the benefits for pensioners. They are not hired to do that. At least it would provide an opening for members on both sides of the House to make their annual representations about railway pensions.