

Great Northern is the only company that owns property in Canada at the present time—that is, in British Columbia—and the two companies already own half each of this operation in Manitoba. Indeed, the only change as a result of the merger is that the merged company is going to be a stronger and larger operation which will more efficiently serve the traffic requirements over the lines in Canada.

As to the purpose of the bill, may I emphasize that it is entirely permissive. It is enabling legislation which will permit the merger agreement set out in the schedule to be effective so far as Canada is concerned. Nothing besides the enabling power is being asked for before this committee because this merger cannot be effective until the Board of Transport Commissioners has recommended to the Governor in Council that the agreement be sanctioned, and the Governor in Council has sanctioned the agreement.

The CHAIRMAN: That is found in section 1 of the bill, is it not?

Mr. FINLAYSON: Yes, sir. At the present time, of course, it is necessary for the two companies to have this merger approved in the United States by the Interstate Commerce Commission. The status of the proceedings is that there has been a report by an examiner, who has taken evidence, to the commission in which he recommends that the merger goes through subject to certain conditions. The date of June 16, 1965, has been set for the full commission to hear the matter.

Senator CROLL: Mr. Finlayson, I have two questions. Where in the agreement do you protect the workers, and how will this affect their pension plans?

Mr. FINLAYSON: It does not deal specifically with pension plans.

Senator CROLL: There is something on page 11.

Mr. FINLAYSON: The only operation is the one that is owned by Great Northern in British Columbia, and it is going to carry on in the same way it is being carried on now. There is no reason why the employees should be affected in any way.

Senator CROLL: Well, there is going to be a new legal entity.

Mr. FINLAYSON: That is right. It is a merged company. The two companies will merge together into one company—that is so—but my point is that from a practical point of view there is not going to be any change at all in the operation in British Columbia, because we have only Great Northern there now, and it is going to be carrying on business under a new name and under a larger corporation.

Senator McCUTCHEON: In the last sentence on page 11 there is a statement of intention to protect existing benefits.

Senator CROLL: But, you do speak on page 11 about the possible impairment of some of the pension or retiring conditions.

Senator McCUTCHEON: Where does it say that?

Senator CROLL: About six or seven lines from the bottom of the page it says:

. . . substantial impairment the provisions made in existing plans for retirement and pension of employees . . .

It is a matter for some concern and consideration.

The CHAIRMAN: It reads:

A new pension plan containing uniform provisions for the payment of benefits upon retirement to all employees of the New Company eligible under the terms of existing plans, which will preserve so far as practicable without substantial impairment the provisions made in existing plans for retirement and pension of employees . . . will be adopted by the New Company.