

Proceedings on Adjournment Motion

is directly related to this legislation since it involves increased costs to the farmer. No matter how you look at it, it is clear the minister is not concerned about the family farm in the west. He and his colleague would do their utmost to co-ordinate the small farms into more efficient holdings. In the words of the *Financial Post*, this would mean the exodus of thousands of small farmers from the west. The writer in the *Financial Post* was certainly not parroting speeches he had heard in this House, speeches pointing out this was exactly what the implementation of the stabilization plan would mean.

As I look across the way and see the two ministers sitting together, it occurs to me that they are the ones who will have to accept responsibility.

An hon. Member: Ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

CANADIAN PACIFIC RAILWAY—SUGGESTED PENSION INCREASES FOR EMPLOYEES WHO RETIRED BEFORE 1956

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Friday, June 18, as reported in *Hansard* at pages 6865 and 6866, I addressed a question to the Minister of Transport (Mr. Jamieson) regarding the pension increases recently announced by the Canadian Pacific Railway. In particular I made a comparison, brief though it was, between the pension increases announced by the CPR and those put into effect a few months ago by the CNR and I asked the Minister of Transport to make the strongest possible representations to the CPR that the pension increases provided to its retired employees might at least be brought into line with those awarded to retired employees of the Canadian National.

● (10:00 p.m.)

The Minister of Transport, as he so often does, reminded me that when he deals with the Canadian Pacific Railway he has to indulge in entreaty rather than in laying down the law. But it seems to me that, even though the Canadian Pacific Railway is a privately-owned organization, it has a definite responsibility not only to the country but to its own employees.

It has taken a long struggle to establish the principle that retired employees should not be expected to live the rest of their days on a fixed pension; that just as others get increases as they go along, so should pensioners get increases from time to time. This principle has been established in a number of areas. It is now the case that retired public servants of the federal government have their pensions increased every year. If the cost of living increase has been 2 per cent or more in the previous year, the pension increase is 2 per cent each year.

[Mr. Skoberg.]

We also won an increase in the pensions of retired CNR employees. This has not yet been made a permanent feature for those who retire from now on, but certainly all of those who retired prior to 1970 received an increase in their pensions equal to 2 per cent for each year of their retirement. Once we had won these improvements it was only natural that we should put all the pressure we could on the CPR to follow suit, and a while ago the CPR did announce that effective July 1, 1971, certain increases would be put into effect.

We welcomed the announcement because we dared to hope that it would be somewhat along the lines of the arrangements made by the Canadian National Railways. But we find that there are some serious shortcomings. In the first place, even for pensioners who retired since 1956 the amount of increase for retired CPR employees is less than that of retired CNR employees and considerably less than that of retired public servants.

Let me give the House some figures in this regard. In the case of a person who retired in 1956 from the federal public service, the increase in his pension in 1970 was 31.58 per cent. In the case of a CNR employee who retired at the same time the increase was 28 per cent. The difference is that although 2 per cent per year applies in both cases, in the case of the public servant there is a compounding that does not apply in the case of the employee of the Canadian National Railways. The CPR employee who retired at the same period received only a 20 per cent increase in that portion of his pension that he earned between 1956 and 1965, plus a smaller amount of the pension earned since that time. The total increase is thus less than 20 per cent of his entire pension, and this falls far short of the 28 per cent that is enjoyed by a CNR employee who retired in 1956.

Let me go back one year. The cruellest part of this whole CPR arrangement is that for those who retired prior to 1956, or for their widows, there is no increase at all. Let me express this in figures. The retired public servant who left the civil service in 1955 received in 1970 an increase of 34.65 per cent. A CNR employee who retired in 1955 received in 1970 an increase of 30 per cent. A CPR employee who retired in 1955 received no increase at all, and if he has died there is no increase for his widow.

I see you on the edge of your seat, Mr. Speaker. I hope I have made my main point, namely, that this is not fair but is cruel, particularly to those who retired previous to 1956, and I hope the government will continue to put pressure on the Canadian Pacific Railway to do the right thing for these retired employees and for their widows.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Minister of Transport (Mr. Jamieson) has asked me to assure the hon. member that in response to his original question he appreciate the problem. The CPR operates outside the direct control of the government. This is a matter which the CPR must decide in negotiation with the employees and also as a matter of decent corporate policy. The minister will certainly bring the hon. member's views to the attention of representatives of the CPR.