

*Canadian National Railways*

A few moments ago I was reading the evidence of a witness from Sarnia. This is an evidence brought by a witness from the Edmonton area I quote:

Over the years as a trainman or a brakeman, I have heard many rumours sweep the system about changes that are going to take place in regard to the pension, especially regarding the lowering of the retirement age. Of course, nothing ever happens.

At our union meetings, I used to listen to the senior brothers discuss what we should do but nothing ever happened. It appeared to be comparable with the old saying "hammering our head against a brick wall".

The same witness says, as is recorded on page 52, and I quote:

As you know, the body that represents us on the Pension Board with the Company is known as the General Chairman's Association. Mr. V. I. Clements is the Chairman. He is the spokesman for thousands of CNR employees coast to coast. The General Chairman's Association has complained about having no position of strength from which to operate.

I cite further:

The General Chairman's Association put in a brief last July 5, 1969, to the CNR Pension Board, recommending changes. They received an answer eight months later.

Mr. Speaker, they had to wait eight months to receive an answer! What kind of a deal is this?

There is something odd now about Crown corporations, and the public wonders. However, Parliament has the answer. If we examine the Public Accounts, the report made by the Auditor General for the Receiver General for Canada, we see substantially the following concerning the Company of Young Canadians:

In last year's report, we mentioned that the CYC staff was working in cooperation with us towards establishing controls to correct deficiencies in the accounting system...and efforts are being continued to implement adequate controls.

It was then just a matter of a statement by the Auditor General to the effect that the books were not properly kept, in the case of the Company of Young Canadians which, for that year, had received an amount of \$1,900,000.

Mr. Speaker, documents have clearly established that violence in the city of Montreal resulted from propaganda emanating from the Company of Young Canadians, printed on machinery paid for by the Canadian government. The authorities of the City of Montreal appeared before the committee for three days in support of a 47-page document and it is known that they had sufficient proof to call for a Royal Commission inquiry. Not only did such an inquiry not take place, but the government continued to finance the Company of Young Canadians.

Mr. Speaker, as far as Crown corporations are concerned, one wonders whether the government is in collusion or has lost control. But our particular concern today is with the Canadian National Railways.

Mr. Speaker, when the bill was introduced, I mentioned that an item for \$371 million had been deleted from CNR ledgers, and I should like to know how much money was spent to do this.

Since the Canadian National Railways go to great lengths in order to escape audits, as can be seen from the

[Mr. Godin.]

evidence, at page 22 of issue No. 31, June 4, could it be that they have something to conceal? Is there an agreement under which half of these \$371 million, or \$185 million, would have been paid into election funds?

Mr. Speaker, the campaign managers of the Liberal party never agreed to disclose the source of their election funds. Could it be because the CN has gone as far as depriving its pensioned employees or their widows of their livelihood that such a silence has fallen over the question? We have every reason to believe it. In fact, we are again dealing with a Crown company which manipulates in a professional way. The evidence heard during the many committee sittings provide damning evidence which the Canadian people is entitled to know.

Referring to page 58 of Issue No. 31 of Thursday, June 4, let me recall the words spoken by Mr. McGregor of Local 108, Bank Street, in Ottawa, and I quote:

For the purpose of delineating some of the inequities that exist in the railway pension plans, we make the following rough comparison of major pension plans.

We urge the committee to take a serious look at the federal plan. We wish to point out that there is no good reason why pension plans of various federal Crown corporations should be so radically different. It was also shown earlier in this brief that the CN as employer pays a much lower pension plan cost benefit to its employees, vis-avis cost benefits assumed by the federal government as employer, while at the same time the rates of employee contributions are more or less at the same level in both institutions.

As reported at page 27 of issue No. 31, Mr. Egan, representing local No. 700, in Ottawa, stated:

Proposals which should be carried out immediately are:

- a. Review all pensions that are being paid now.
- b. Increase these pensions which would give our pensioners a decent Canadian standard of living today.
- c. Review these pensions quarterly and raise them again by an amount based on the cost of living index.
- d. Widows' pensions to be handled in the same manner, with one exception. Upon the death of the pensioner the widow will receive 100 per cent of pension and not 50 per cent as at present. The assumption here is that costs are supposed to halve when the spouse dies. I would like to know how.

Pension age to be reduced to 60 on a voluntary basis for 5 years, then all should retire at 60 automatically with full benefits, and I must stress this—full benefits—

Mr. Speaker, as reported in the Minutes of Proceedings and Evidence No. 32 on pages 27 and 28, Mr. Clements said, and I quote:

In conclusion we request that this Committee take action to ensure:

1. The Company transfer the \$371,010,000 surplus, appropriated by the Company, back to the company's unfunded liability account.
2. The Company improve the benefits of the 1959 Plan in line with the proposal we placed before them.
3. That the 1959 Plan rules be made to comply with the Pension Benefit Standards Act forthwith.
4. That the Pension Benefits Standards Act regulations be amended to prevent the arbitrary use of surpluses arising in Pension Trust Funds for the Company's benefit.
5. That equal representation be given to the union representatives on the Pension Board and that the reconstituted Board become the Board of Trustees.