

Railway Act

Railways pensioners are asking for similar arrangements, and this is recommended in the Hall report. That was the purpose of the Hall commission, to do something for pensioners, but nothing has been done. The President of the Treasury Board went on to state:

I want to say, Mr. Speaker, that the decision to propose that public service pensions be adjusted for changes in the cost of living on an ad hoc basis was only reached after considerable thought and soul searching on my part and that of the government.

The source of the dilemma—and that is what it is, a dilemma—centers around the responsibility the government has to both pensioners and taxpayers.

I can understand the dilemma of railway pensioners who receive \$100 a month in the form of a pension which is not indexed. They have a real dilemma. The minister went on to state:

On the one hand, it is the government's view that the measures that have been adopted to protect the purchasing value of public service pensions are based on a sound principle. In the government's view, it is unjust and unfair to allow the rate of inflation to determine arbitrarily the real value of pensions, and that is exactly what happens when pensions are not adjusted for changes in the cost of living.

This is exactly the problem we have with the railway pension fund. The minister went on to state:

In short, the principle of maintaining the purchasing value of pensions so that pensioners can maintain their access to the same basket of goods and services is a principle to which the government is committed, and remains committed.

If the President of the Treasury Board can say that about pensions of retired civil servants he should certainly include railway pensioners, and that is why we must take some decisive action and stop giving them the run-around. The minister went on to say:

The government, however, is also committed to the principle that public service pension arrangements must also be just and fair in terms of their impact on taxpayers.

The railway pensioners are not asking for anything more than that to which they are entitled. The minister went on:

There are experts who feel we can count on seeing a long-term situation in which interest rates, on average, will be 3 per cent to 4 per cent ahead of the rate of inflation, and 1 per cent ahead of salary increases.

My motion calls for the appointment of independent auditors, as recommended in the Hall report, who could start investing the money more wisely, and not as it has been invested over the last 43 years. In addition, the President of the Treasury Board stated:

In recent years, of course, interest rates have not maintained a 3 per cent to 4 per cent margin over inflation and a 1 per cent margin over salary increases.

The minister then stated:

To achieve this goal, the legislation which will be introduced will require the President of the Treasury Board to carry out a triennial review of public service pension arrangements with advice from the chief actuary and in consultation with representatives of interested parties.

At the present time the CNR handles the total pension fund, and this is why we say it is unsatisfactory. The President of the Treasury Board also stated on March 9:

In developing the proposals which would be included in the proposed legislation I shall be consulting with my colleague, the Minister of National Defence (Mr. Danson)—because of the armed forces pension program—with the Solicitor General (Mr. Blais) having the pension interest of the RCMP in mind, and

[Mr. McKenzie.]

with my own Public Service Superannuation Advisory Committee as well as with other interested parties.

How can we leave railway pensioners out of these discussions about appropriate pensions, Mr. Speaker? They are entitled to have their pensions reviewed and properly indexed. The minister then said:

Finally, I should like to assure hon. members that the whole public service pension program will be up for review upon the completion of the current actuarial evaluation of the program now being carried out by the department of insurance and upon the completion of the government's comprehensive review of the retirement income situation of all Canadians. The review will also take into account all the findings of the consultants, as tabled today, and the detailed analysis of the Treasury Board secretariat.

We made the request at the Standing Committee on Transport and Communications in respect of railway pension programs that the government through the Auditor General conduct a full scale inquiry into the handling of the CNR pension fund. We found it very strange at the committee that the Liberal members organized to defeat our motions calling for the Auditor General to appear before the committee and to conduct a full scale audit of, and an inquiry into, CNR pension funds. Recent statements by the government that it is going to strengthen the Auditor General's department, and that there is to be more scrutiny of Crown corporations and government agencies, is apparently all window dressing. This was one of the first occasions that we put this to the test in the committee and they ganged up to vote this motion down. This gives a clear indication that this is nothing but window dressing.

It was also stated at the committee that the CPR pension fund should be investigated, and this was referred to in the Noel A. Hall report on railway pensions. I understand it is in a worse financial condition than the CNR pension fund.

I should like to quote from some of the statements made at the committee meeting of April 5 when we had the president of the pension union before us. I asked him the following question, and we were talking about investment of pension funds:

These investments you mentioned, have they been paying off? Have you considered them good investments, these mortgages and bonds? Also, it appears that the way we are going, and with inflation the way it is, a pensioner will not be able to survive on his particular pension. This 2 per cent a year they talk about is nowhere going to cover them for inflation.

Mr. Earl White, president of the railway pension union, answered me by stating:

I have something on that particular subject and it is the Hall report. Dr. Noel A. Hall on page 48 refers to Table II of the report.

... Dr. Hall has published CNR Pension Trust Fund Investments as at December 31, 1974. The book value and the market value of bonds of the CNR is respectively, \$358.8 millions and \$281.2 millions...

These are round figures. I am just quoting the millions. Three hundred and fifty-eight million is the book value and two hundred and eighty-one million is the market value, which means that there was a loss position on that date of \$77,600,000.

I certainly would not want the CNR investing my money, Mr. Speaker. This type of loss is very strange in this day and age of investing money. Mr. White went on to quote from the Hall report as follows: