

*Adjournment Debate*

investments such as this one that the interests of pensioners are protected in the long run. The steady improvements in the fund's earnings, resulting from such investments, will allow CN to reduce its unfunded liability and increase its capacity to pay existing and future pensioners. To reduce investments and make shortsighted pension increases, as the hon. member suggested, it a sure way to pension bankruptcy. Independent actuaries will confirm this.

Instead, CN has been providing pension increases within its means. It has granted voluntary increases every year since 1971 and will do so again this year. So far this has cost the company over \$200 million, money which comes not from the pension fund but from operating revenues. The increases may not have kept pace with inflation, but they have at least dampened its effect.

As to the Hall report, the hon. member should get his facts straight. Indeed Dr. Hall spoke of a heritage fund, but rather than formally recommend it, he made a point of saying that such issues are best dealt with through the collective bargaining process. In fact, the pension improvements mentioned previously are largely the result of the introduction of pensions as a bargaining issue. Recent progress has been made through union-management negotiation in the direction of the heritage fund concept.

I might conclude by saying that the hon. member, with his years of experience in Parliament, ought to know that it is not to the Minister of Transport that he should address this question. As a collective bargaining issue, it should go to the Minister of Labour (Mr. Regan), or as a broad pension issue, it should go to the Minister of National Health and Welfare (Miss Bégin) who hosted the recent national pension conference. The Minister of Transport (Mr. Pepin) is sympathetic to the needs of pensioners, but he does not have the prerogative, nor the responsibility, to negotiate their pension interest. The Minister of Transport does not have the privilege of involving himself in the collective bargaining between the unions, the pensioners and the railways.

● (2210)

The hon. member asked his question on April 3. I was here on April 9 to answer it, but he chose not to pursue it on that day. He cannot say that he has not had an answer, since tonight is the first opportunity to deliver it.

CANADIAN ARMED FORCES—REVIEW OF SALARY AND ALLOWANCES—COMPARABILITY WITH PUBLIC SERVICE

**Mr. Howard Crosby (Halifax West):** Mr. Speaker, on March 24, 1981, I questioned the President of the Treasury Board (Mr. Johnston) in the absence of the Acting Minister of National Defence with respect to two matters affecting the personnel of the Canadian Armed Forces. First, I mentioned the review of salaries and allowances then nearing completion. Second, I asked whether steps were being taken to ensure pay comparability between the Canadian forces and the federal public service.

I want to consider both the pay rates provided to members of the Canadian forces and the comparison of those pay rates to the salaries available in the public service and private sector. But such a review is only valuable if I first list some general matters relevant to those considerations. Let me begin by recognizing that the Canadian Armed Forces were established under the National Defence Act and are the responsibility of the government and the Parliament of Canada. They, of course, are under the direction of the chief of defence staff in relation to their activities.

The Canadian Armed Forces in 1980 consisted of about 80,000 regular members, with 20,000 in the primary reserve and an additional 19,000 reservists and cadets. They are supported by 33,000 civilian employees in the Department of National Defence. The regular force personnel are distributed across Canada, with the largest contingent stationed in the Halifax area. We are proud to be regarded as a military town in the city of Halifax because of the number of armed forces personnel who reside and work in the area.

I mention these statistics by way of reminder that the Canadian forces are really just Canadians in uniform. They are men and women who have volunteered in the defence of Canada. Their code of discipline is onerous by civilian standards. While there are benefits, the reality of military life in peacetime is that Canadian forces personnel must compete in a real world for most of the goods, facilities and services which they require. I believe it is important that we provide the members of our Canadian forces with just compensation, not only a living wage but a salary which allows them the status and life they ought to enjoy.

I would like to consider the increase in pay granted to the Canadian forces effective April 1, 1981 and the comparability of their pay in light of that standard. According to the announcement made by the Acting Minister of National Defence, the Canadian forces received a pay increase which on the average was 12 per cent. That seems relatively fair in the circumstances, but we must remember that there has been an increase in the consumer price index of 12.4 per cent. So even with that high rate of increase they are falling behind.

If you take specific cases you will note that a recruit in the Canadian forces receives approximately \$8,200 and, when fully trained as a private, will receive approximately \$14,000. If you compare that with the amount of money being paid to our policemen across Canada, you will find that it is much less than what an urban police officer earns, both as a recruit and when fully trained as a first class constable. I could mention the pay provided by the increase to a pilot at the higher level. It is listed as \$37,620, which seems like a very fair rate of remuneration. However, you must consider that the rate applies to a major with at least two years seniority in his rank. If you compare that with the salaries available in the private sector, or even in some parts of the public service, it pales by comparison.

The point of all this is that if we do not pay the members of our armed forces adequate and fair compensation, they will simply go off to other activities. I happened to note in the