

*Railway Act*

new financial position and if we are going to continue to subsidize the CPR and give them anything they want, the time has come for us to say to them that their pensions should be at least equal to the 2 per cent per year credit that applies in the public service.

Something else that should apply to railway pensions is the matter of guaranteed escalation of indexation of their pensions after retirement, they should be told this should come into effect. With prices going up and living standards rising it is not putting a person on a pension if you put him on an amount that is fixed for life. If a fixed amount is all one gets as a pension, it is just a ticket to welfare somewhere down the road. If a pension is to be meaningful it must enable the pensioner to keep up with the rising cost of living. However, I think it should do more than that. I should enable a pensioner to keep up with the rising standard of living.

I know there are the Colin Browns and others around the country who are worried about what we can afford down the road apiece. If Mackenzie King had known that in 1978 members of parliament would be earning the salaries and allowances that we are receiving today, he would have said that it cannot happen, that the country would go broke, that it is impossible, that is going too far. I submit that 10 to 20 years from now salaries around here will probably be higher and wages will be higher. Can the country afford it? What really counts is the current production in any year. When we are asking for the indexing of pensions all we are saying is that as the production of a country goes up year by year, decade by decade, not only those who are working get the advantage of that increased production, but those who are retired should receive a share of the increased production which has been made possible by them in building society to that point. I say guaranteed escalation of pensions should be the rule with both the Canadian National and the Canadian Pacific.

Dr. Hall recognizes that. He accepts it is a principle through his book. He seems a little uncertain just how to go about it. He is worried about the finances of the railways and so on. He does come up with his idea of a heritage fund. But there it sits, a very nice recommendation, a very nice principle stated. He thinks that the case of Mr. B. H. Emerson emphasizes the point that it is a human tragedy to have to live on small pensions in the face of rapidly escalating wages and prices. These books spread around the country, a few more of them, do not do the trick. What is necessary is for the government to get into the picture and say to the railways, whether they are publicly owned or privately owned, that they are instruments of serving the needs of this country. They live on the basis of the country's economy and they owe to the workers the certainty and the guarantee of pensions that will maintain their value.

We have had some indexing. For a while the CNR came through with 2 per cent per year. Then there was a year when it was 4 per cent. Then they skipped a year and they came in with an ad hoc or a fixed amount. The CPR had done far less and Dr. Hall points that out. One of his firm recommendations

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is that the CPR should do at least as much as the CNR has done.

This story is a sorry one. The railway workers have not been put in a position to be sure that their pensions would enable them to keep up with the rising cost of living, let alone the rising standard of living. There was a day 30, 40 or 50 years ago when morale was high amongst the railway workers. They felt they were in almost a privileged or preferred position. They had good jobs and they were helping to build the country. When that sense of morale was there their productivity, I suggest, was higher than it has been in some other years. One of the ways to destroy morale is to create the feeling of insecurity about the future. The reverse is also true. One of the ways to improve morale is to give some guarantee about the future. I feel very strongly about escalation and indexing being guaranteed to all pensions—railway, public, private, the whole works.

But what we are dealing with tonight is the finances of one of our railways. This is the time that the government should get into this and tell the railways that it is a matter of government policy that indexing must continue. I am glad to hear the Prime Minister say when questioned about the indexing of pensions of public servants that maybe there are some abuses, maybe some adjustments need to be made, especially in the cases of the Simon Reismans and so on, but nevertheless the principle has to say. If it is the principle of government policy that pensions should be paid to federal public servants to enable them to keep up with the cost of living, that same principle should apply to organizations such as the CNR and CPR which in one way or another, both public and private, are part of the whole picture of the economy of this country.

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I am arguing for something in which many in this place believe. The point is how to get there. One way of how not to get there is to just put out a report. Another way is for the government to pass the buck to the CNR and the CPR. What is important is for the government to sit down with the railways and say that this principle has got to be accepted.

Another matter that has to be raised with regard to railway pensions—and when we are discussing the finances of the CNR is the time to raise it—is the question of pensions of widows of railway workers. At the best, the pensions of widows of railway workers are 50 per cent of the pension the worker was getting or would have got in the case where the husband dies before he goes on pension.

I would have said this today in the debate on equality for women had we got into it, but I can do that when we get to it next week. I do not know why a society of men and women who are equal still accept the idea that if a man and wife together establish a home, earn a livelihood, build up a bit of an estate and reach the stage where they go on pension, when the man dies the widow's pension is only 50 per cent, but if she dies first, his pension is 100 per cent.

I hope some day people will look back on history and say who was ever so crazy as to think up that idea? However, that