

Adjournment Debate

The Pension Benefits Standards Act, 1985, which came into effect on January 1, 1987, includes a number of measures to try to further ensure the financial solvency of federally-regulated pension plans. The PBSA sets minimum standards for pension plans established by companies in federally-regulated industries, such as Air Canada which is a parent Crown corporation.

Because of this Act pension plan administrators will have a statutory obligation to administer the pension fund to protect the benefit of plan members.

In his recent report the Auditor General stated that "the viability of pension plans is of vital importance to Canadians". He recommended, to further protect the interests of Canadians, that independent reviews must be carried out by the Department of Insurance, which regulates all federally-registered employee pension plans. At this time the Department supervises some 750 plans, covering 600,000 employees. As can be seen this is a huge workload. According to the Auditor General there is the risk, that the present supervisory procedure of the Pension Benefits Division will not permit it to do an adequate job of monitoring the financial solvency of all employee pension plans.

He recommends that the Department of Insurance should undertake a thorough review of its present supervisory practices for pension plans. In particular, the Auditor General recommends that it should review the adequacy of procedures for monitoring pension plan assets.

The Pension Benefits Standards Act, 1985, will no doubt give the final assurance that federally-regulated pension plans maintain minimum standards. The Public Accounts of the Receiver General continue to provide the public with information on the financial statements of Crown corporations such as Air Canada. The information from the Public Accounts Report is used to write the company's annual report.

On a more local level, Air Canada pensioners are well served by representatives across Canada. These people keep in close contact with Air Canada's head office.

At this time, Air Canada could not do anything with the pension funds, in terms of investing or selling out, because not only is it against the law to take funds out when there is an unfunded liability, but the unfunded liability would increase. Finally, close actuarial control does not allow this to happen in any case.

In closing, I appreciate having this chance to address the House, but particularly to be able to report to the people of Fraser Valley East on this matter. They must not only be reassured that there are not any excess funds in the Air Canada pension fund but that there is not any reason to be concerned about the unfunded liability either.

Mr. David Kilgour (Parliamentary Secretary to Minister of Transport): Madam Speaker, I thank the Hon. Member for Fraser Valley East (Mr. Belsher) for his representations in

respect of an important matter. I am certain his concern for retired Air Canada employees is greatly appreciated by them.

• (2105)

Air Canada management has told the Minister that there is an annual report prepared on the pension fund. The report is available to the pension committee, which consists of representatives of employee groups, retired employees, and management. The report is not widely distributed, but the information in it is available to all interested groups through their representatives on the committee. May I remind the Hon. Member, and anyone else who is interested, that the Minister of Transport (Mr. Crosbie) has made it clear that he will "personally see to it" that anyone wanting the information will have it. If they encounter any difficulty in getting it, if he or anyone else will contact the Minister, he will see that they receive a copy of that report.

Air Canada also advises that it has been the company's policy to provide annual *ad hoc* adjustments to its retirees' pensions based on a number of factors, such as the company's financial performance, inflation rate, performance of the pension fund investments. These *ad hoc* payments have been made regularly over the past eight to ten years. The 1986 *ad hoc* adjustment was recently announced to all employees by the Air Canada board of directors.

I hope that these brief comments provide some clarification for the Hon. Member with the concern.

PORTS—VANCOUVER—REQUEST FOR FUNDS TO UPGRADE FACILITIES. (B) REQUEST THAT PORT USERS COMMITTEE BE ESTABLISHED

Ms. Margaret Mitchell (Vancouver East): I wish to speak to the question that I raised in the House on November 17, 1986, relating to the Port of Vancouver. There are some very urgent problems faced at the Port of Vancouver. It desperately needs upgraded facilities in order to be competitive.

The Deputy Prime Minister (Mr. Mazankowski) was asked by me for an assurance that the federal Government would take some positive action that would not just be a reaction to the management-labour crisis at that time, but would really help with the port's long-term development. First was that there would be an upgrading of port facilities, particularly three new cranes that are very badly needed. There should also be improved rail facilities in order to be competitive with the American rail facilities which largely accommodate container traffic.

Second, we asked that they establish a port users committee, or that they work with the Vancouver group to establish a committee to seriously assess the problems, the solutions, and the priorities to ensure the long-term viability and competitiveness of the Port of Vancouver. I asked this question when the labour dispute was at a peak when the Maritime Employers' Council had locked out the ILWU from the Port of Vancouver. Unfortunately, this ended with some very harsh legislation brought down by the federal Government, which we are still