

*Supply*

I would also point out to all members that it is a mark of integrity to desire change even if it hurts so I am happy to see that Reformers at least are still speaking out on this issue, even though it could cost them a significant part of their future income. This is a mark of integrity and the electorate will remember it.

Allow me to set the stage for a moment so that we can all be clear about what the pension plan offers to members of Parliament. I would like to quote from a major international study on parliamentarian's compensation called the Sobeco report which was tabled in February of this year.

This is what a retiring member of Parliament receives: "The pension plan provides the payment of a retiring allowance to any person who is an MP for a period of at least six years. This lifetime pension commences as soon as a member ceases to hold office regardless of age".

It goes on to read: "The amount of retiring allowance for a member is equal to 30 per cent of the average sessional allowance after six years as a member and increases by 5 percentage points for each additional year to a maximum of 75 per cent after 15 years".

• (1330)

This means that a lowly backbencher or an opposition member like myself could walk away, after being re-elected just once, with a pension of about \$20,000 a year for life. For a few members of Parliament who are very young, this benefit would indeed be of great value. Cabinet ministers who have a higher salary of course fare much better. In 1993 the average pension paid to cabinet ministers was almost \$49,000 annually. Former Liberal Prime Minister John Turner is receiving \$85,000 per year for life.

The study also notes that the pension is indexed after age 60. It goes on to say that members pay only 20 per cent of the value of the plan while federal civil servants contribute 40 per cent to their plan and private sector executives about 35 per cent. The pension plan is more generous than those in the private sector and even in the broader public sector.

I mentioned that the Ernst and Young study was an international study. How do our pensions compare with those in other countries? Our system is exceedingly generous. Only Australia and Belgium top our pensions. In fact our pensions are triple the pensions that politicians in the United Kingdom, Sweden and, yes, even the good old United States of America receive. Not only that, but no country allows the payment of a pension as early as Canada does. In fact the payment of a pension before the age of 52 is possible only in Sweden and Australia. In the U.K. you have to be at least 60. In the United States a politician must work for 25 years before getting a pension.

Finally, how do we compare with the provinces? Only the two most generous provinces, Ontario and British Columbia, offer comparable pensions but there is a major difference in the cost to the taxpayer. That is that provincial members are not eligible for a pension until they are at least 55 years of age in Ontario and 60 in B.C. Can you imagine the difference in cost to the taxpayer between receiving a pension from age 30 and receiving it from age 60? The cost differential is of course enormous.

Listeners will not be surprised to find out that just a month before this study was tabled the government commissioned a completely new study called "Democratic Ideals and Financial Realities" that looked at all the same things. This is because of a statutory requirement that the compensation of MPs must be reviewed at the beginning of each Parliament which is a wasteful law that should be abolished as far as I am concerned.

However, I would note that the commission's report arrives at virtually the same conclusions. I do not know how much that report cost but it is the same.

There are really only a couple of principles that should guide us on potential pensions for members of Parliament. First, the pension should not offer to members benefits that are unavailable to other Canadians. For example, it must have a maximum contribution level equal to that of other Canadians. Pensions should pay benefits at retirement age, not when a member is 45 or even 35 years old, but 55 to 65 like others. The MP pension plan should be the same for all members.

I hear that the finance minister may soon allow members to opt out of the plan. I still believe this is wrong. Some members will opt out but the rest will be allowed to remain with the current plan which means that after a long communication strategy in trying to sell what they are doing and much bragging about change and options and all the rest, most of the MPs, especially across the way, will remain at the trough and taxpayers will be even more sceptical of their members of Parliament. As usual, the more things change around here the more they will stay the same.

Double dipping must be eliminated. By that I mean that a retired member must only receive one benefit at one time from the federal crown.

Pensions must be actuarially sound where the money going into the plan equals the money being paid out of it. I would remind members that the unfunded liability of our pension plan at the end of 1991 was \$12.2 billion and that was after the government topped up the fund with 158 million taxpayer dollars earlier in that same year.

The second broad principle is that our pension plan must show how members are willing to lead by example when it comes to government belt tightening. It is no surprise that when Premier Klein started to cut back on government expenditures, a move promised but not yet delivered by this government, the first thing he did was to abolish—he did not scale it back, study it,