

*State Pensions*

have mentioned the fact that we had these two delegations before us, the Federal Superannuates National Association and the Canadian Forces Long-Service Pensioners Association.

We also received a letter from the dominion secretary of the Royal Canadian Legion pressing the three points about which I have been speaking. The first is the one I just mentioned, namely, that escalation should start the first year after retirement; the second, that pensions payable to widows ought to be higher than the present 50 per cent; and third, that the denial of a pension to a widow if she married a serviceman or employee after he went on pension is most unfair.

What is the point of this committee work? Do we just go there and get the message from on high that this is the bill and nothing is to be changed except what the government wants to change? We have committees, and we have delegations appearing before the committees and the cases are made. Members go along with them. I could not even get a motion passed that the steering committee meet to consider some way to bring our recommendations back to the House. It was argued that we could not do it, that all we could do was to report the bill. But I pleaded that at least we meet to try to find some ways to let the House know of the various things that we in the committee wanted to do. We could not even get a motion like that passed.

I could add other things. I will mention just one of them quickly in passing, the problem that faces public servants who were in the armed forces and who want to buy back for pension purposes their service in the armed forces. That is available to them, but in most cases it is so costly that it might as well not be there.

So here is a bill that fails on many points to meet the needs of persons who are working for the public service or persons who are on pension, and I think it is a most disappointing business. In effect it is shabby treatment for us to be told that we have to rush this bill through because of one or two elements of time urgency, but we cannot do such things as to meet the problems of widows and meet the need of retired service persons and retired Royal Canadian Mounted Police for escalation of their pensions in accordance with the cost of living.

On top of all the things that are in the bill that are wrong, and on top of the things that are not in the bill that should be there, there are things that some of us, especially in my party, do not like. This is a bill of 106 clauses, which means there are a lot of things in it—in fact not only is the bill so long but the title is so long that Your Honour finds it difficult to read every time you put the motion—but tucked in there, as has happened on a number of occasions, is a substantial improvement in the pensions of members of parliament. I say that on other occasions this has happened, this tucking our pensions into an omnibus bill, and I regret it very much. Frequently we have been in the spot where we were presented with a bill that was good but which contained something that we did not like, and we were faced with the problem of whether we should vote for the bill because of some good things in it or whether we should vote against the bill because we did not like the wrong things that were in it.

We think that in these times of restraint, after we have had a terrific increase in our indemnities and in our tax-

[Mr. Knowles (Winnipeg North Centre).]

free allowances, to be making provision now for an increase in our pensions down the road of 33½ per cent is a little too much. I know the plausible argument that all this bill is doing is relating our pensions to our present pay scale of \$24,000 instead of the \$18,000 that is specified in the Members of Parliament Retiring Allowances Act. But one has to couple with that the fact that there is already in our pension plan a formula that is tremendously beneficial which provides for 3½ per cent per year for the first ten years, 3 per cent per year for the next ten years, and 2 per cent for the next five years, in other words, in 25 years, 75 per cent of our six best years average. In the public service it is only 2 per cent per year. It takes 35 years to reach 70 per cent; a public servant can never reach 75 per cent. As a formula it is far too generous and I suggest we are going too far to add to the generous formula by relating that formula to a higher salary so that we will get higher pensions down the road.

May I point out that the last time we dealt with the members of parliament pension bill, we put a figure in there. The \$18,000 was the maximum salary to which our pensions could be related. But now we are taking out that figure and we are saying that our pension is related to whatever our salary is. So if the freeze for 1976 comes to an end, and in 1977 and 1978 our pay starts going up again, our potential pensions will keep on going up.

I submit that at this time when restraint is the motto, when we are supposed to be giving some leadership, we should not be doing this, and in my party we are opposed to taking this step and we shall be saying so by our vote on this bill.

**An hon. Member:** But you will take the money.

**Mr. Knowles (Winnipeg North Centre):** I am not planning to take any pension money. I am not planning to retire. I am sure that will please the hon. member.

This morning during the question period I refrained from pressing a point of order of which I had given notice. The Prime Minister (Mr. Trudeau) was surprised that I asked only for a freeze on the total amount of members of parliament pay, that I had not asked for a roll back. He knows very well that last December, January, February, March and April I did my best to prevent that increase from coming into effect, and if he is not aware of it let him ask his friend, the President of the Privy Council (Mr. Sharp), who is aware of where I stood on it. I say to him now that I think that that act of members of parliament in raising their own salaries to the extent that this was done has had a tremendous effect on the inflationary psychology in this country. I am not arguing that it is the only element, but I am arguing that part of the problem the government is having to cope with today is created because of that, and because of the tremendously higher salaries that were provided for public servants.

**Mr. Speaker:** Order, please. I hesitate to interrupt the hon. member for Winnipeg North Centre (Mr. Knowles) in the middle of his speech. He still has some time left. However, we face a technical problem in that earlier this day the House made an order that later this day it would revert to motions for the purpose of dealing with the motion standing in the name of the President of the Privy