

Supplementary Retirement Benefits Act (No. 2)

poverty line for a single person is \$7,940 and \$10,400 for a couple. These figures are derived from Statistics Canada "Low Income Cut-Offs of Family Units, 1981", adding 10.8 per cent to allow for inflation.

The Government estimates saving \$85 million by restricting indexing of Public Service pensions to six per cent and five per cent. The source of this figures comes from the June budget papers. Supplementary Estimates (B), on the other hand, ask for \$1.9 billion in discretionary non-statutory spending. This amount is more than the estimated \$1.4 billion required to bring all senior citizens in Canada above the poverty line.

The Progressive Conservative Government of 1979-80 was able to trim \$500 million from the federal budget without any income penalties to retired civil servants or senior citizens in general. About \$445 million would be paid out in benefits this year, according to the Treasury Board, and \$420 million will come out of the Consolidated Revenue Fund, with only \$25 million covered by the contributions made by pensioners when they were employed. This is because the plan was only implemented in 1971, but benefits are extended to all retired public servants, whether or not they contributed to the fund.

As time goes on, the drain on the CRF will diminish and the supplementary retirement benefits account will pay a larger share of the benefits. The total cost of indexing the pension was about 4.5 per cent of payroll last year from regular public servants. Pensions for the Armed Forces and some other groups are administered separately.

Since the Supplementary Retirement Benefits Act was passed in March, 1970, it has been amended six times. Over the same period, the Old Age Security Act has been amended 16 times. The Government is seeking approval to reinstate the cap of indexation which was removed in September, 1973. This piecemeal, patchwork approach to pensions is an insult to the senior citizens and a waste of expensive parliamentary time. A bona fide pension fund should be considered, as the one in Manitoba I mentioned which was brought in by a Conservative Government a number of years ago. It is financially sound because pension money is invested instead of being put into general revenue. The present arrangement provides no guarantee of future financial soundness and is too open to meddling from a Government which cannot keep its accounting straight, and I gave examples of its trickery.

The present employees' contribution rate of 1 per cent of salary to the SRBA provides only for a 1.5 per cent inflation rate in the future, according to the Treasury Board. There is \$15.5 billion in the basic pension account, the public service superannuation account. An actuarial analysis claims that all of this, including interest, will be required to meet future benefit payments. The level of Government-employer contributions to the PSSA and SRBA should be investigated to determine if they have been adequate. The massive amount of money in the PSSA might be able to cover the cost of pension indexation throughout the SRBA, especially if the funds were invested at a high rate of interest, as I mentioned was done in Manitoba, or some other changes were made. There is no question about the fact that the federal pension plans could

stand some improvement in the way they are handled. As I mentioned earlier, the indexing in Manitoba is not a drain on the taxpayers of Manitoba. It is a sound, well-administered pension plan, and it is most unfortunate that the Liberal Government did not study this plan. If it had, we would not be in quite the same mess that we are today.

● (1610)

This is a regressive piece of legislation. The Government is working in reverse. If they were carrying out the recommendations in the Auditor General's Report, eliminating the waste and mismanagement which is costing billions and billions of dollars, this would reduce inflation and we would not have to be launching an all-out attack on pensioners, and retirement benefits in general.

I am prepared to vote against this Bill, Mr. Speaker.

The Acting Speaker (Mr. Blaker): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Blaker): The question is on the amendment (Mr. Baker) (Nepean-Carleton). Is it the pleasure of the House to adopt the amendment?

Those in favour of the amendment will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Blaker): Those opposed to the amendment will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Blaker): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Blaker): Call in the Members.

● (1620)

The House divided on the amendment (Mr. Baker) (Nepean-Carleton) which was negated on the following division:

(Division No. 265)

YEAS

Messrs.

Althouse	Cardiff	Darling
Andre	Carney (Miss)	Deans
Anguish	Clark	Dick
Baker	(Yellowhead)	Domm
(Nepean-Carleton)	Clarke	Ellis
Beatty	(Vancouver Quadra)	Elzinga
Benjamin	Cooper	Epp
Blackburn	Corbett	Fennell
Blaikie	Cossitt (Mrs.)	Forrestall
Blenkarn	Crosby	Fraser
Bosley	(Halifax West)	Fretz
Bradley	Crouse	Friesen
Broadbent	Dantzer	Fulton