

Statute Law Amendment Act, 1970

The hon. member made great substance of the fact that we were including provision for MP's benefits in the bill for Supplementary Retirement Allowances. He said there was no reason why it should have been included in this bill, and that it should have been done at a later time. He used two arguments. He asked why was it being done in this bill, and secondly why was it being done at this time whether in this bill or otherwise.

With regard to the first question, the fact of the matter was that the Members of Parliament Retiring Allowances Act was being opened up by this bill which we are putting forward and the government had received this report from Dr. Curtis on which it had taken its decision. It therefore seemed reasonable to put all the matters amending the act into one bill, rather than to spread them between two bills. I do not think it is a matter of great substance whether we put all these matters in one bill or in two bills, but the fact is that we have put them in one bill.

As to the question of whether we should do this now or at some future date, the hon. member for Winnipeg North Centre referred to other pension benefits drawn by members of the public, mostly on a non-contributory basis, but I agree that not all of them are on that basis. I point out that what is involved here is a measure which will reduce the take-home pay of members of the House because this is a contributory pension scheme although I agree from the standpoint of the support of the government of Canada, it is also going to cost the treasury and the taxpayers some money. But I point out that it is going to cost members of this House a great deal of money if they plan to avail themselves of all the benefits under this plan.

On this point I would say to the hon. member, as I said to him in committee, that the decision has been taken to provide, for example, survivorship benefits for children, and to provide a more reasonable level of allowance for the widows of members, and it seemed to the government that it should include these provisions in this bill which was opening up the statute for amendment.

The final point I wish to make is with respect to the hon. member's argument on this particular amendment, with regard to the decision whether the contribution should be paid on the \$12,000 alone, that is, on the indemnity, or on the \$18,000, which is the \$12,000 indemnity plus the additional \$6,000

expense allowance. I think it is fair to refer to Dr. Curtis in this regard, where he says:

The use of the full emolument as a base—part of which is now tax free—raises some difficulties but upon examination these do not appear serious. In the first place some arrangement must be devised to increase the pensions base in absolute terms and secondly there seems to be no other group for which this would be a precedent. If the full payment is not used as a base it would require a 10½ per cent contribution by the member to get the entitlement set out.

After referring to the fact that both the Carter Commission and the Smith Commission in Ontario had raised questions as to the desirability of a tax free allowance, which I do not think are relevant at this point although they may well become so when the Beaupré Commission reports, as recorded at page 29 of his report Dr. Curtis says:

However, subject to these considerations, it is true the base of contribution could be changed to the salary alone and the entitlements still be calculated on the combined return. It is simply a calculation and provided it comes out with the same allowance, the basis of making it has little significance—tax or otherwise.

I would say with regard to this particular amendment that frankly it is irrelevant whether the pension should be based on the full indemnity plus the expense allowance, or on a changed base of contribution. It seems to me, bearing in mind the situation hon. members would find themselves in, it would be better to spread out their contribution over the broader sum. These are the reasons why I would ask the support of the House for the bill generally, and the support of the House in defeating this amendment and the succeeding amendments put forward by the hon. member for Winnipeg North Centre and his colleagues.

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, this bill which is before us received second reading and was referred to committee on March 10, at which time there was debate on it. I regret I was not here at that time and could not participate in the debate. I join with my colleagues on both sides of the House, who have been pressing for measures to give some relief to those who have retired from the public service, in welcoming this bill. I regret that, as a result of the speech of the hon. member for Winnipeg North Centre (Mr. Knowles), I feel compelled, by just as strong motives of conscience as I am sure compelled him, to put some other things on the record regarding the amendments which are before us.

[Mr. Macdonald (Rosedale).]