

*Adjournment Debate*

portray it to be. It has often been repeated in the course of this debate that on the average public servants get an annual pension of \$7,000 or less, which is certainly not a high income. Indexation of this pension would only allow them to survive a little above the poverty line. After all, public servants cannot be blamed for all the economic ills the country is going through today and all the economic hardships we are faced with.

On a final note, Mr. Speaker, I would simply like to remind the President of the Treasury Board that it is imperative that we deal with some of the problems concerning indexation. At present, for example, public servants are allowed to retire at the end of the year, just before December 31, so as to benefit from indexation for the last year and again, on January 1, to be eligible for indexing for the coming year. I think the question could be solved by an amendment to the superannuation legislation, an order in council, a regulation or otherwise. I think the President of the Treasury Board is in a position to act. Three past presidents of the Treasury Board have told us: "We will look after it." I hope to see improvements in 1981 and I hope that the legislation will be amended so as to achieve some kind of equity, some kind of fairness in the area of pensions.

● (2205)

[English]

**Mr. Roy MacLaren (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, on December 9 the President of the Treasury Board (Mr. Johnston), stated that he would soon be announcing the rate of increase applicable to public service pensions on January 1, 1981. The necessary calculations under the Supplementary Retirement Benefits Act have now been completed. The rate will be 9.7 per cent. This figure represents the average of the increases in the monthly Consumer Price Indices from October 1, 1979, to September 30, 1980. The 9.7 percentage increase will be applied to update pensions which were in pay during 1980; that is, the pensions of persons who retired or became disabled in 1980 or earlier and those of surviving spouses and children of pension plan members who died in 1980 or earlier with a pension entitlement.

The hon. member asked specifically whether those who retire before December 31 of this year will receive a full increase in their pensions on January 1, 1981. The answer is yes. The Supplementary Retirement Benefits Act provides for annual updating of pensions on January 1 for all pensions in pay in the previous year. This means that no matter how short a period of time the pensioner was drawing pension in a year—even a few days—he or she will receive a full year's cost-of-living increase on the next January 1. Until such time as legislative amendments are made to the Supplementary Retirement Benefits Act, this provision of the law must continue to be applied.

As the President of the Treasury Board advised the House, it is his intention to bring before Parliament proposed amendments to the Supplementary Retirement Benefits Act in

respect of that specific feature. In Bill C-12, the public service pension amendment bill introduced in the Thirtieth Parliament, which lapsed when that Parliament dissolved, changes were proposed which would have prorated the amount of pension indexing to which a pensioner would be entitled in respect of his or her first year of retirement.

Under the proposals contained in Bill C-12, a person who had been retired only a few days prior to January 1 of any year, would have to wait a full year until the next January before receiving any pension adjustment. These proposals seem quite reasonable and fair to public service pensioners. I believe I am correct in stating that there was no opposition to this feature of Bill C-12, either from members of Parliament or from pension plan members.

● (2210)

NATIONAL ENERGY PROGRAM—ALSANDS PROJECT—REQUEST FOR ASSURANCE OF COMPLETION

**Mr. Jack Shields (Athabasca):** Mr. Speaker, I rise at this time as a result of a question I put to the Minister of Energy, Mines and Resources (Mr. Lalonde) on December 4. In my question I asked the minister whether any discussions had taken place to ensure the Alsands consortium—the project north of Fort McMurray—would proceed on time. If it did not, it would be a catastrophe for the nation. At a time when money is waiting from private sources to be invested in the heavy oil industry or tar sands and is sitting idle when we are at such a crucial stage in our development waiting for oil to come on-stream down the road.

The minister replied by saying:

I can tell him that if he looks at the record, particularly with regard to tar sands plants, he will find the federal government has always been very forthcoming and ready to make sure those projects will take place.

I have had a chance to look at the record. I ask hon. members, what is that record? In a press release two weeks ago Imperial Oil announced that at \$38 a barrel with future increases tied to the consumer price index, the plant at Cold Lake is not economically viable. The Alsands consortium has announced that the same pricing agreement, \$38 a barrel, with future increases tied to the consumer price index, does not make it viable to proceed with their plans.

I went home this weekend and I found that the Syncrude expansion is stalled. This expansion was to bring a second train on to the plant to increase production from 140,000 barrels a day to 200,000 barrels a day. The syncrude press release reads in part:

The point we're trying to get across is that it is not economically applicable under the current federal policies to go ahead with the expansion. It has reduced the attractiveness of expansion and increased the risk involved.

Of course, Syncrude was referring to this government's misguided energy policy. The spokesman for Syncrude went on to state:

Imperial's message is that the opportunity from an economic standpoint is just not there.

That is the record. I know the Minister of Energy, Mines and Resources in all honesty is not trying to mislead the