

The Bill is theoretically a Bill to have certain Superannuation Acts conform to the Income Tax Act. However, by approving changes by *Regulation* the Bill gives any government the authority to modify the Canadian Forces Superannuation Act and the Supplementary Retirement Benefits Act by an Order-in-Council. The changes could include de-indexation, the government enjoying a contribution holiday, even decreasing current disbursements and even increasing present contributions by the Canadian Forces members.

I also received a letter from Diane Strilaeff, from Yellowknife. She asked how we could pass legislation that would let the government take control over the federal public service pension plan away from Parliament. Ms Strilaeff pointed out that under present legislation the government must match the employees' contributions, but that Bill C-55 would allow the Minister of Finance to decide what the government's contribution would be. The bill would also allow interest rates to the pension funds to be established by regulation without the approval of Parliament. She was also concerned that a regulation could be made under the Income Tax Act to limit indexation for any registered plan, thereby getting at the indexation in that indirect but equally effective route.

A March 16, 1992, news release from the Public Service Alliance of Canada attacked the regulation-making provisions of the bill as follows:

Technically speaking, the adoption of Part IV of Bill C-55 would allow the government of the day to enact regulations under the Income Tax Act, without legislative approval, to, amongst other things, limit indexation of pension plans.

I think any senators who have been concerned with this legislation would agree that in the submissions and letters we have received that was one of the prime concerns; it was not just the de-indexation but particularly de-indexation as a possible result of power given to the government without having to consult Parliament.

The government would also have the power to enact further regulations, under the Public Service Superannuation Act (PSSA), to conform with the new Income Tax Act regulations.

This led Mr. Bean, the president of that organization, to call Bill C-55 a "gift-wrapped time bomb."

The Federal Superannuates National Association had similar arguments in a news release, also dated March 16, 1992. The news release refers to Mr. Claude Edwards, who is the national president, being available to answer questions. This is what the release says:

Under the legislation now before Parliament the government would be empowered to amend many important elements of the Superannuation Plans including the following, solely by the passage of a regulation.

We understand, of course, that that is effectively a government legislative act without recourse to Parliament. He continues with the list:

- Limiting full indexing and other pension benefits.
- Establishing and controlling with unfettered authority the interest paid on and the employer contribution to superannuation accounts.

One basic thing everyone understands about pensions is that the employee makes a contribution, the employer makes a contribution, and in effect they operate in partnership in assumed consultation to establish the pension fund that the employee counts so heavily on. As this points out, their concern is that, by this regulation, it would have nothing to do with Parliament and they would have no chance to make a submission.

The press release goes on to say:

Prior to this, changes to the superannuation plans have required the full scrutiny and approval of Parliament.

Remember, honourable senators, traditionally, and we hope still, the participation of Parliament does not just mean debate in the House of Commons and debate in the Senate, but also scrutiny by committees, which citizens have an opportunity to speak to and ask to be heard before.

These are just a few examples of the letters and statements in our files from people who are concerned with the regulation-making authority of this bill.

[*Translation*]

As I summarized for the minister's benefit at the committee meeting on September 10, the bill gives the government the authority required to issue regulations in this area for two purposes: first, to ensure that the relevant legislation—the Public Service Superannuation Act, the Canadian Forces Superannuation Act and the Royal Canadian Mounted Police Superannuation Act—complies with the Income Tax Act.

The second is to ensure that the relevant legislation is applied in a practical and equitable manner.

Clause 71 of Bill C-55 will allow the Governor in Council to make changes by way of regulation to various pension plans without consulting the groups concerned or Parliament.

[*English*]

In his testimony, the minister touched on the subject of the regulation-making power. I quote from the proceedings of the National Finance Committee, Issue Number 32, and this is the minister speaking, Mr. Loiselle:

Furthermore, the bill clearly states that no regulation made for tax compliance purposes may reduce any benefit, including indexing earned prior to the date the regulation is made.

I might add that the committee's legal counsel confirmed that any future changes to the indexing provisions