

Adjournment Debate

Secondly, one hon. member mentioned that sometimes we lend money at a great deal more than it costs us. The only instance of that is where we are engaged in direct lending activity where the lending institutions will not go. I find it hard to see why the doctor in Whitehorse or somewhere else in the Yukon territory where the banks will not lend him money for a house should get a subsidized interest rate. I would much rather lend it to him at the market rate. I would prefer, where we are engaged in an activity using the taxpayers' money by way of subsidy, that it should be directed toward public housing, land assembly or assisted home ownership. That is the purpose of this bill. That is the purpose of the amendments moved by the hon. member for Calgary North. That is the reason I supported those amendments and why I do so now.

I think the debate has gone off course. The purpose of this legislation is to provide very substantial subsidies, but to do it by way of explicit grants and contributions rather than by charging one half of 1 per cent, one-eighth of 1 per cent or three-sixteenths of 1 per cent, all of which are small potatoes when one compares them with the real subsidies that we are proposing in this legislation.

PROCEEDINGS ON ADJOURNMENT MOTION

[English]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

PENSIONS—REQUEST FOR REMOVAL OF CEILING ON ESCALATION OF PENSIONS OF RETIRED PUBLIC SERVANTS, ROYAL CANADIAN MOUNTED POLICE AND ARMED FORCES PERSONNEL

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Friday, May 11, as recorded in *Hansard* at page 3661, I put the following question to the President of the Treasury Board (Mr. Drury):

Now that the government has committed itself to the removal of the 2 per cent ceiling from the annual escalation of pensions paid under the Canada Pensions Act, will the President of the Treasury Board take the necessary action so that the 2 per cent ceiling can be removed from the annual escalation of pensions paid to retired public servants and to retired RCMP and Armed Forces personnel?

● (2200)

The reply of the President of the Treasury (Mr. Drury) was in these words:

Mr. Speaker, as the hon. member and the House know, the government is very sympathetic to this proposal but has stated on previous occasions the notion or idea that the change in the escalation rates, both in the Canada Pension Plan and the Superannuation Act should be coterminous.

I may say to the President of the Treasury Board that I have had several letters asking me what he meant by that word. However, I think it is fairly clear that what he meant was that action with respect to these two pieces of legislation, in the government's view, should be taken at the same time.

[Mr. Basford.]

Sir, this is another in a long series of appeals that I have made to the President of the Treasury Board to remove the 2 per cent ceiling from the annual escalation of pensions paid to federal superannuates. If necessary, the series will be continued on and on and on, but one of these days I hope my appeal is going to click. From the smile I see on the face of the President of the Treasury Board, I hope it might be tonight.

When we discuss this issue it is always possible for extraneous points to be dragged in; in fact, sometimes I may drag them in myself. I am not, therefore, tonight going to speak about related issues that are of equal concern lest that put the President of the Treasury Board off the track. I want to focus my attention on this one point, namely, that there is no excuse, anything in the law or any statement or commitment that has been made, for the proposition that removal of the 2 per cent ceiling in the case of retired civil servants has to wait until the same action has been taken with respect to the Canada Pension Plan.

I remind the President of the Treasury Board that the annual escalation of pensions under the Old Age Security Act—and this applies both to old age security and to the guaranteed income supplement—and also the annual escalation of war disability pensions and the allowances paid under the War Veterans Allowance Act, is now geared to the actual percentage increase in the cost of living. I submit the claim that the increases in the pensions of retired public servants should somehow be tied to the increases in the Canada Pension Plan, rather than have the same thing as is done with respect to these other four payments to which I have referred, just does not stand up. It does not make sense.

Sometimes when this matter is discussed the President of the Treasury Board points out that there are other groups than the three I have named. I submit these are where there are many thousands of persons involved, namely the retired public servants and retired personnel of the armed forces and the RCMP. They feel very strongly that since the 2 per cent ceiling has been removed in the case of the old age security, the guaranteed income supplement, the war disability pension and other pensions paid under the Pension Act and allowances paid under the War Veterans Allowance Act, the same should happen with respect to pensions paid to retired public servants and related groups.

This matter is entirely under federal control. The changes that have to be made in the Canada Pension Plan are by the nature of the legislation such that provinces have to be consulted, and therefore the Minister of National Health and Welfare (Mr. Lalonde) has a bit of an excuse for holding us off, but I hope for only a few more weeks. But that does not apply to federal superannuates. We are talking here about persons whose employment was exclusively with the federal government. We are talking about a pension arrangement that is exclusively federal. No one else needs to be consulted, and because the government has already removed the 2 per cent ceiling from the other four kinds of payments to which I have referred, it seems to me the time has come to do that with respect to the pensions of retired public servants and the other related groups.