

statement flat out, but he says it in the guarded language that he has to use.

I gather that all he is telling us is that the only change that will take place in the years 1979, 1980 and 1981 is that the abuses that a few have practised, will be corrected. Despite the fact he talks about fifty years and some danger of interest rates going up, he goes on to say that with the credits being applied for this purpose, the extra interest earned on the employees' portion in the pension fund, the 1 per cent put in by employers and employees, that there will be enough there to stay at that level.

When I first got this statement about noon today I read it with some apprehension. The stories I have been reading in the newspapers in the last few days gave me some concern. But as I read the statement through I realized that really what the minister is doing, and I am not going to say he is trying to have it both ways—I think he did fairly well on this—is saying to the critics of pension indexing, "All right, boys, we will look at this every three years, and we will make the decision on the basis of how the account shapes up, but we are of the opinion from the experience we have had thus far that the account will be big enough that, even though we cut out the abuses of some of those at the top, the main indexing will continue." I do not mind it being done that way. I am so convinced about the rightness of indexing and the soundness of it, on the basis of our economy, that I think it will stand up. I do not mind him saying to the insurance people who are concerned that there will be this required look at the problem every three years.

Even so, Mr. Speaker, I had hoped that if the minister was going to talk about the possibility of something other than full indexing for any one of these triennial periods, that he would have told us in the statement,—and maybe he will do it in answer to questions—what kind of formula he had in mind. I do not like to press him too hard on this because I rather believe that there will not have to be any cutting back, but if there is any cutting back I hope it will not be a decision that the percentage rate across the board will be less than the CPI. If the CPI has gone up 6 per cent I do not want the government to put on a 4 per cent ceiling, or a 2 per cent ceiling which we had a number of years ago.

If he has in mind picking a level of pensions of, say \$10,000, \$12,000, \$15,000 and saying that if we are in trouble we will give full indexing only up to those levels and a lesser or no indexation above, I think we would have to agree with it if the economy of the times called for it.

I think, as I say, it would have been useful if the minister had made that kind of a finding. I note that he has emphasized the fact that the credit into this account is to be based on the extra interest earned by the pensioners' portion in the fund. Why not the extra interest earned by the government's portion in the fund?

I see, Mr. Speaker, that you are getting to the edge of your chair, and I can finish most of this when we get to questions. I hope we will get some of these questions answered, but the main thing I hope comes out of this today is not scare headlines about indexing being cut back but rather that index-

Pensions

ing is going to stay and all that is going to happen is that there will be this review every three years, along with the correction of a few abuses.

The hon. member for Hamilton West chided me about my introduction of MP's pensions. Time does not permit me to say all that I would like to say, but I point out that, critical as I am of the generosity of members' pensions and the fact that they start too early, I am not critical of indexing. The same thing should apply to both groups, so I say to the minister who promised in his statement that somewhere along the line there will be a complete review of the Public Service Superannuation Act itself, that I hope that will come forward soon, and that with it will also come a review of some of the abuses that are in the Members of Parliament Retiring Allowances Act.

With respect to the Public Service Superannuation Act, I hope the minister will give some concern to the position of widows, and to their lesser rate of pension. I hope he will give some concern to the position of those widows where the marriage took place later in life, rather than earlier. There are a number of things that need to be sorted out.

Mr. Speaker, I am this time going to end, and hope that the message that will get out today is that after all this study, the wild proposals made in this big book did not carry the weight that some people might have hoped, but that instead the principle of indexation is being retained and the public servants who are out on pension need not have the fears that tonight's headlines might give them.

[Translation]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, while listening to the minister's statement and the answers of the representative of the official opposition and that of the New Democratic Party, it was easy to understand that the minister raised a very important point that has been expected for a very long time and I think that an election year is appropriate for such statements, such amendment proposals to a legislation affecting such a large number of employees in Canada as the government is, to my knowledge, the main employer in Canada.

The hon. member for Hamilton West (Mr. Alexander) complained a moment ago that he had a chance to study the report and the statement of the minister only three hours in advance while it has been in the hands of government members for three months. I can tell him he should consider himself lucky as I did not even have three minutes to read it before the minister made his statement. But I did listen carefully and I realize how important and at the same time how difficult it was. To fully appreciate a proposal like the one we just heard, we must quote some figures, if not all of them, concerning the people that will be affected by the proposals included in the bill that will be presented in the near future by the minister. We should have some figures to appreciate exactly the effects of those changes.