be heard during the compilation of further changes to the Pensions Act.

There were various private witnesses from whom we heard who had grave concerns. Several of their cases were very complicated indeed, and are deserving of a great deal of investigation and inquiry. Perhaps this might be a good subject for the National Finance committee to look at in terms of a study.

There was a particular witness, Mr. Lewis, who gave a most articulate and touching presentation on his own particular case. Then a Mr. Black spoke of the disabilities side. There was another gentlemen who felt that we should turn over the management of the pension funds to the individuals involved so that they themselves could make their own decisions as to how they wanted funds invested, whether they wanted to put them into RRSPs or into savings accounts or into whatever.

Some of these concepts were so far-reaching, new and outgoing that the committee felt this was not really the time to —

Hon. Royce Frith (Leader of the Opposition): "Outgoing" in this case is not a synonym for "far out"?

Senator Doody: "Outgoing" in this case is exactly what it says. I appreciate the editorial effort, but I will not take the honourable senator up on it.

Let me conclude by saying that the minister and the officials have described this bill as being only the first step in the public service pension reform process. The minister has promised us that once this bill is passed, a comprehensive review of the fundamental elements of the public service pension plans will be conducted. We are hopeful that this will occur sooner rather than later.

With these few comments, honourable senators, I commend this bill to the Senate for passage and third reading.

Hon. Philippe Deane Gigantès: Will the Honourable Senator accept a question or two?

Senator Doody: I will accept a question, but I cannot guarantee a reasonable answer.

Senator Gigantès: You said that in matters of indexing, a regulation affecting indexing cannot have retroactive effect. Is that what I understood?

Senator Doody: I do not know what you understood, but I think that is close to what I said, yes.

Senator Gigantès: Does that mean that a public servant who resigned on August 1 cannot have his future indexing affected?

Senator Doody: That is a technical question that I do not intend to get involved in.

Senator Gigantès: Surely it is important.

Senator Doody: Of course it is important.

Senator Gigantès: Someone who resigned several years ago cannot have increases in his pension due to indexing taken away from him. That is what you said, as I understood

it. Can someone who retired before the regulation was instituted have his future indexing affected? It seems an important question to me.

I have another important question. Has there been any thought of letting the public servants whose indexing is being taken away start their own indexing fund? It is a very small amount of indexing that is actually affected by these changes. I believe it amounts to about 1.2 percent of the salaries that public servants are paid. What if existing public servants were to say, "Okay, we will take over the government's share of that contribution. We will pay it, and we will continue the indexing system at no cost to the public purse." Has such an alternative been considered?

Senator Doody: The whole indexing question is a hypothetical question that has not really been taken into consideration in the legislation. The question was raised as a possibility. It was dismissed by Mr. Walsh, the legislative counsel, as being impossible except through legislation, and that is where it remains. As to what might happen —

Senator Frith: That is overstating Mr. Walsh's opinion a little bit, senator. It was not exactly dismissed.

Senator Doody: I suppose I should have been wise enough to use the preamble of Senator Gigantès and say that in my opinion Mr. Walsh makes it quite clear that deindexing can only be done through legislation, that it cannot be done through amendments to the Income Tax Act or through amendments to this particular —

Senator Frith: In his second opinion, after they talked to him about his first opinion. That is when he started to tighten it down a little bit.

Senator Doody: Senator Frith can prefer to use the first letter, but I would prefer to use the second one. It has a later date. That is the opinion that I have before me, and that is the opinion that the minister has accepted, that the department has accepted, that the committee has accepted, and that I hope this Senate will accept on third reading of this bill.

Senator Frith: It was a bit like Groucho Marx's statement, "Those are my principles. If you don't like them, I have others." That was Mr. Walsh.

The Hon. the Acting Speaker: It is moved by the Honourable Senator Doody, seconded by the Honourable Senator Oliver, that this bill be read the third time. Is it your pleasure, honourable senators, to adopt the motion?

Some Hon. Senators: Yes.

Some Hon. Senators: No.

The Hon. the Acting Speaker: Will those honourable senators in favour of the motion please say "yea"?

Some Hon. Senators: Yea.

The Hon. the Acting Speaker: Will those honourable senators who are against the motion please say "nay"?