

ments, or not as generous with the taxpayers' money, I would still insist that since his amendment would tend to increase substantially the charge on the treasury this is the principal reason I must oppose this amendment and the principal reason I would not have been in favour of introducing it. This does represent an additional charge on the exchequer. Because of this, and the fact that the contributory scheme would be out of balance if this kind of thing were done, we will oppose it. I repeat it is the intention of the government under this amending legislation to continue to behave as a good employer and to recognize the talent there is in the Public Service. This talent shall continue to be used in the public good and the number of releases which would be contemplated whether or not this particular clause 27 is passed will not be increased.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I have just one question. I thought I heard the minister say, and he can correct me if I misheard him, that this change will soften the process of leaving for those who have already retired and for those who will retire. If he did say that or if I thought he said that, was it not incorrect with regard to those already retired; is it not true that these provisions will apply only to those who retire or who are retired after this bill is passed?

Mr. Drury: The latter statement, Mr. Chairman, is the correct one.

Some hon. Members: Question.

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Agreed.

The Deputy Chairman: The question is on the amendment of the hon. member for Winnipeg North Centre. All those in favour of the amendment please rise. All those against the amendment please rise.

Amendment (Mr. Knowles (Winnipeg North Centre)) negatived: Yeas, 21; nays, 26.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I believe we are still on new sub-section (1) of clause 27 and I should like to raise now with the minister another question to which I alluded when I spoke earlier this afternoon. Am I correct in my understanding that a combination of this legislation and the escalation of pensions after retirement provision of last year's bill, C-194, will produce the result I described. As I described it, a person who retires or is retired at any age under 60 under the provisions of this legislation will be entitled to the escalation of his pension without having to wait until age 60? Did I understand that correctly?

Mr. Drury: I would have to check on that. I should know it, Mr. Chairman. My recollection is that the escalation is applicable to all those who have retired on pension whether it be at age 65, at age 60 or at an earlier age for medical reasons. The escalation operates from the time the pension is payable. The reason we have, up to the present time, age 60 is that this is the earliest age at

Government Organization Act, 1970

which, for non-medical reasons, one can start drawing a pension. If this age should be moved down, I assume the escalation then would apply as from the date the pension became payable for whatever reason.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, like the minister I do not have with me all the legislative material there is in this area. Unlike the minister, I do not have an adviser over my shoulder, but I believe he and I are both right in our interpretation. I have looked into the matter rather carefully and others who are interested in it have done so as well. Certainly the people in the Public Service Alliance of Canada understand it this way. As the minister says, up to this point the only public servant on a pension before 60 years of age who is entitled to the annual escalation is the public servant who is on pension at that earlier age for medical reasons. I believe it is correct, however, that when a person goes on pension at an earlier age for this kind of reason that will also be the point at which the escalation will begin. The minister is nodding his head.

Mr. Drury: Mr. Chairman, perhaps I should make clear that the escalation operates not from the date the man goes on pension, but the date when the pension is payable. I, myself, retired from the Public Service some years ago and I will get a pension, I understand, at age 60. I do not like to have the hon. member describe me as now being on pension or indeed at age 60 going on pension. The thing we should look at is the date at which the annuity or pension becomes payable for whatever reason. It may be the date of retirement or it may be later.

Mr. Knowles (Winnipeg North Centre): The minister is taking us down another lane which needs to be looked into as well. But I believe the ruling will be to the minister's advantage. I think he will discover that when he gets his pension his escalation will date not from the time his pension payments begin but from the time he was separated from the Public Service. I was hoping I might get some nods somewhere in the gallery but these public servants are as discreet as they can be. Oh, I saw the appropriate official nod to the minister. I am sure the minister is pleased to know that is the case.

I am fairly sure about this because last year when dealing with this matter I had some correspondence from a number of public servants who had left the Public Service and had arranged for deferred pensions to come in at age 60. The question was, would those people at age 60 get the escalation only from that date or, from the date of severance from the Public Service. The answer was the latter. I believe that is clear, unless someone can say I am wrong. The minister has a smile on his face. We are not trying to encourage him to leave, at least not singly. But we would like to see him go and take the whole Cabinet with him.

● (4:50 p.m.)

This supports the position which the minister knows I want to take. We are now moving beyond the question of retirement for medical reasons. We are now making it fairly general that people who are on pension from the public service at ages under 60 will be entitled each year