

out of the ground at \$30 per barrel? That is what they are being told, but there is no refining plant in Canada. If there is no plant in Canada to handle the refining, where do they sell it? Do they sell it across the line? They could sell it across the line, but there is only one plant across the line. There is one refining plant but it must have a guaranteed supply, and the government refuses a guaranteed supply, by saying that it must be sold in Canada. Equalization means that one must generate funds so that they can be equalized. Government policy in the energy field and other areas has stifled the growth of Canada, reduced the incomes of people, and reduced the outflow of cash from any part of Canada.

Therefore, if there is nothing to equalize, why do they talk about equalization?

**Some hon. Members:** Hear, hear!

● (2200)

**Mr. Knowles:** Mr. Speaker, I rise on a point of order. Could the government whip or an hon. member on that side tell us whether we will stay with this bill tomorrow or whether the government would rather switch.

**Mr. Turner:** Mr. Speaker, I am advised we return to Bill C-48, the oil and gas bill, tomorrow and possibly Wednesday.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

### PUBLIC SERVICE—INQUIRY WHETHER RETIREES WILL BENEFIT FROM INDEXATION

**Mr. Jean-Robert Gauthier (Ottawa-Vanier):** Mr. Speaker, on December 9 last I directed a question to the President of the Treasury Board dealing with two matters which I consider important. First, it had to do with the pension system in the public service, especially the indexing rate for 1980, and second, I tried to learn the number of public servants who were retiring this year before December 31, and perhaps after December 1, because it was implied in my question that I wanted to know whether some public servants were waiting till the end of the fiscal year to retire thus taking advantage of an indexation measure to enjoy an indexed pension immediately in the year in which they retire.

Hon. members will remember that since 1970 a public servant can retire, subject to some restrictions of course, with full benefits at 55 years of age. Over the years, the benefits have been standardized by removing any sex discrimination

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and the contribution rate of the employee has been raised from 5 to 6.5 per cent. In 1970, partial indexing of benefits was adopted and contributions of both employer and employee were increased by half a point. Finally, full indexing of benefits was recommended in 1973 and implemented by this government in 1974. A second increase of half a point was also provided for, to be collected from both employer and employee, as of January 1, 1977.

The President of the Treasury Board (Mr. Johnston) recently told me in answer to a question that he had not yet set the rate of indexing but that he would write to me; I received his letter today; I should like to read it to you. I quote:

Dear Mr. Gauthier:

Further to the question you put to me in the House of Commons Tuesday last with regard to the rate of indexing that will apply from January 1, 1981, to the benefits received by former members of the civil service, I am pleased to advise that the rate will be 9.7 per cent, as announced publicly last Friday.

I was not aware that he had announced it last Friday. I resume the quotation:

The 9.7 per cent increase will apply to the benefits paid at any time in 1980, that is, to the pensions of those persons who retired or became disabled in 1980 or earlier, and those of surviving spouses and for dependent children who were entitled to pensions in 1980 or earlier. The 9.7 per cent increase will be paid former employees of the civil service, the armed forces, the RCMP, former members of Parliament and senators, former judges—

and the letter lists all those who are entitled to that increase in pension. Mr. Speaker, I believe we all agreed, some years ago, on the need for indexing pensions, to protect our pensioners against the thief that inflation is. And I am pleased to learn that the President of the Treasury Board announced today that one hundred thousand retired civil servants and dependants will be entitled this year to a catching up increase which, while not giving them an edge in terms of real income, will at least enable them to maintain their purchasing power for the coming year. I think, Mr. Speaker, that no active and industrialized society is immune from a certain level of inflation nowadays.

Inflation, as we know, is detrimental to the various types of pensioners and widens the income gap between those who work and those who are fully retired on a pension. The debate on public service pensions has been at times quite acrimonious and it has been going on for at least over ten years. I witnessed the attempts made by the government over the past eight years to set the indexation rate, to put a ceiling on it, to make it above all flexible and geared to the ability of the fund to pay the indexation of pensions. We have seen Bill C-12 being violently opposed by certain groups from the private sector, I am referring here to the Coalition for Citizens' movement which lobbied to prevent the indexation of public service pensions under the pretence that they were getting very good salaries and were collecting highly generous pensions.

While in fact, Mr. Speaker, the truth could not be further removed from what certain groups opposed to indexation