

would be drawing the increase. I asked the President of the Treasury Board:

Would the President of the Treasury Board now consider sponsoring further amendments to the act so that it will apply to more than a small fraction of ex-servicemen and women?

The answer was:

Mr. Speaker, I shall be glad to look at that representation.

I regret that the President of the Treasury Board is not present to participate in this debate, but that was really no answer at all and that is why I am here tonight. He is living up to his tradition of non-communication with questioners. I am not at all surprised he is not here, but I am sorry that he is not here.

With the pension cheques that have gone out information was provided to the recipients on how they could qualify for the increase on January 1, and this occasioned several letters to me. I should like to go, for a moment, to Bill C-220, not the copy given general distribution but the bill presented to the House at first reading. I should like to indicate what the attitude of the government was at that time, as reflected in the explanation and in the recommendation to be found on the second page of the bill. The purpose of the bill was:

—to provide for the assumption by the government of the full cost of the escalation of pensions of persons retired before 1970 and under the conditions prescribed, the assumption of a portion of the cost of the escalation of pensions of persons retired since 1969; and to amend the Members of Parliament Retiring Allowances Act . . . the Canadian Forces Superannuation Act—

Having read that, and read the press releases at the time, one would assume that retired servicemen, seeing their service pensions connected in some way with the increase in the cost of living, would receive an increase. This seemed fair and so the bill was passed. I am glad to see the hon. member for Winnipeg North Centre (Mr. Knowles) in the House, since he was, I suppose, one of those conned by the government, like the rest of us, into thinking that the government was going to do something for servicemen, and he, too, did not spot the fine print which excluded 96½ per cent of retired servicemen from receiving any benefit whatsoever.

On September 7, 1973 the President of the Treasury Board presented the bill for second reading, and as reported at page 6336 of *Hansard* he had this to say:

The principal reason for introducing this bill is to provide that increases in the consumer price index will be fully reflected in the escalation of benefits payable under this act.

So much for the dreams of retired servicemen! I should like to point out that I have received a considerable number of letters, as I stated earlier, all of the same type. A serviceman finds out, when retired and on pension, that there will be no increase for him because the famous 85 rule comes into play, which is age plus service must equal 85 before you are pensionable. Then, there is another fine print rule which says you must be 55 years of age, and this is what has excluded 96½ per cent of retired servicemen.

I hate to point this out, but this falls hardest on the service for which this government has had so little time for too long, namely the Royal Canadian Navy and its retirees. Their petty officers were not permitted to serve for more than 25 years, so there is no way that a retired petty officer can get that increase before the age of 60. I

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would point out that one other thing equally distasteful is that compulsory retirement age for corporals in the armed forces is 45. A corporal of that age will presumably have about 25 years of service, but he too will have to wait until the age of 60 to get the increment. However, if you are a lieutenant or captain the age rises to 47; if you are a major it is 49; a lieutenant-colonel, 51; and a colonel 55. If you have served to the age of 55 you have a very good chance of having 30 years service, and you can immediately qualify for pension. This bill as passed is unfair to the people who should be treated most fairly. I ask the President of the Treasury Board to consider bringing in amendments to make this the meaningful bill that parliament thought it would be when it was presented in the first instance.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I would like to begin by amplifying the answer which the Minister of National Defence gave on December 12 to the hon. member's question No. 3206, as reported in *Hansard* on page 8664.

As the minister stated, there were 40,787 retired members of the Canadian forces in receipt of pensions and of these 1,487 became eligible for increases in their benefits under the amendments to the Supplementary Retirement Benefits Act as a result of the passing of Bill C-220 on September 14, 1973. In addition, some 10,000 other retired members will receive further increases in their pensions in January, 1974 as a result of this amending legislation. In view of the hon. member's remarks this fact should be emphasized.

The original statute, in addition to providing benefits to all widows and children provided increases in the pensions of retired members of the forces, who were disabled or who were over age. Similar provisions covered members of the RCMP, members of parliament and members of the Public Service.

However, when the age at which public service employees could retire was lowered from 60 to 55 if the employees had 30 or more years of pensionable service, an anomaly was created between Public Service employees and these other groups. The recent amendments to the Supplementary Retirement Benefits Act provided for a lowering of the age at which escalation could commence for these groups and to correct this anomaly, the amendment was given retroactive effect to January 1, 1973, and provided new benefits immediately to these 1,487 former members of the Canadian forces, among others.

As was explained at the time Bill C-220 was introduced in the House, the formula for determining the age at which escalation of pensions commences for former members of the armed forces and the RCMP was determined after consultations with representatives of the Canadian forces and the RCMP and reflected the over-all cost considerations. However, as stated when the bill was being discussed in committee we will continue to review the experience in relation to the so-called "85" formula.

As members of the House are aware, the principal effect of the amendments to the Supplementary Retirement Benefits Act will be felt in January when the amount of the increases are directly related to the rises in the consumer