

Adjournment Debate

The basic fund is now being credited with interest at the rate of more than \$650 million a year and the fund itself is increasing at a rate close to \$1 billion a year. The fund of which I am speaking is used to pay basic rates of pensions.

There is, in addition, a supplementary retirement benefits fund which is supported by contributions of one per cent from the employer and the employee, out of which the indexed portion of pensions is paid.

The criticisms which are being made in many quarters relate to the actuarial soundness of the supplementary retirement benefits fund. If we look at the two funds together we see that there is very adequate provision made for the payment of benefits. The original actuarial calculations were made on the basis of a rate of 4 per cent. The yield today, as I said earlier, is in excess of 7.6 per cent.

A number of actuaries have looked at this fund and made projections which suggest it could be in difficulty in the future. In so doing they have had to make assumptions with regard to the rate of interest in the future, the rate of inflation, the age at which people are going to retire, and so on. On the basis of very unfavourable assumptions they could forecast difficulties; on the basis of a good combination of assumptions they could reach the conclusion—as I believe to be the case—that the plan is over-funded.

The fund as it now exists is more than adequate to pay for the basic pension rate and escalation. One of the complications which arise in the assumptions which actuaries are making relates to retirement age. It is the policy of the government of Canada to be a good employer. The superannuation scheme as it presently exists is a good plan and the objective of all of us should be to provide equal protection for all Canadians in order that the cost of living should not rob retired people year by year.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Francis: About 8 per cent of all Canadians have retired. They receive something like 5 per cent of our national income. All we are asking—and I am pleased to have the applause of hon. members on the other side—is that the same proportion of the national income should be afforded to retired people. They should have the same protection. The suggestion that the provision of the same amount of purchasing power throughout the years of retirement is something which would bankrupt Canada is one which I simply cannot accept.

● (2205)

All of us have looked at horrible examples of senior public servants retiring at age 55 with 30 years' service and getting pensions which are not reduced and which are escalated from the date of retirement. The particular examples which have been cited are very difficult to comprehend as such, but the overwhelming majority of thousands now retired—I believe over 80 per cent—are getting an average pension of about \$6,000 a year. The actual pensions being paid are nowhere near the sums which have been cited in a few individual cases.

If we have to make a choice, over a long period there is a good case for saying that there is a limit to how far premature retirement at an early age can take place, but every effort must be made to protect those who are retired against the constant erosion of their incomes which inflation brings about. The priority must be to protect indexing so that those who are helpless and cannot look after themselves will not become victims of inflation. If the price of this is some sacrifice in the reduction of the age of retirement, I would be prepared to say that we could look at those provisions of the plan; but I would not be prepared to support any changes in the indexing provisions.

Mr. Thomas H. Lefebvre (Parliamentary Secretary to President of Treasury Board): Mr. Speaker, the hon. member for Ottawa West (Mr. Francis) has once again brought a subject of very deep concern to the attention of this House. We are all aware of his continued interest in the wellbeing of his constituents, including those who are members of the public service and who have retired from the public service after long and valued careers.

The hon. member has cited some very important figures on the subject of public service pensions. In view of the fact—and the hon. member mentioned this in his remarks—that the President of Treasury Board (Mr. Andras) has committed himself to making a public statement on this subject later this week in this House, I am sure the hon. member will understand the dilemma I am presently in. I do not wish to go too far on this subject. I ask the hon. member to show the patience he usually does. I am sure that on the day the President of Treasury Board makes his intervention on this subject the hon. member will have an opportunity to make further statements and to question the minister in this regard.

HEALTH AND WELFARE—REDUCTIONS IN HEALTH CARE PROGRAMS—GOVERNMENT REASONS FOR CHANGE IN POLICY

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I want to thank the Minister of National Health and Welfare (Miss Bégin) for her reply to be found at page 3313 of *Hansard* for February 22, stating she would bring my suggestions to the attention of her colleagues across Canada. The minister went on to state, however, that each province is at a different stage in the development of extended health care, so she felt she could not impose minimum standards which were applicable under the hospital insurance and medical care programs.

The minister knows that under the Medical Care Act four criteria must be met. There must be 95 per cent coverage, quality of care, portability and comprehensive physicians' services. These criteria must be provided as insured services by participating provinces. The Medical Care Act empowers the government to include any additional health services under terms and conditions which may be specified by the governor in council. Let us settle that once and for all.

These additional health services are insured without exclusion. I hope I have made that abundantly clear. The reference is at page 270 of the *Canada Year Book*, 1969 under the