

Members' Retiring Allowances

"The chances are that after being in parliament 17 years he would rather continue to sit here in the hope of obtaining an appointment to the Senate or to the bench, or some federal appointment, than retire on his pension", Arsenault said. "Even if he is defeated after 17 years, he has the security of knowing that he will at least have an income of \$6,000 a year for life."

I raise the point, Mr. Chairman, because I feel that the hon. member who has been quoted should have the opportunity of correcting this rather inaccurate report in order that the newspaper in my home city may have the opportunity of correcting the information it has given to the public in that city.

The Chairman: Shall clause 1 carry?

Mr. Hansell: May I ask the Minister of National Health and Welfare or the Acting Prime Minister one question? Is there any other class of people, apart from members of parliament under this act, who do not receive the old age security pension by reason of the fact that they receive some other pension?

Mr. Howe (Port Arthur): It is quite usual in industrial pensions to take into account the old age pension at age 70 in working out the benefits. The reason this fund is actuarially sound, I am told, is that the calculations were made on the basis that when a member qualified for the old age pension his parliamentary payment would be reduced. That was the proposal of the committee; that was the basis of the fund, and that was the basis on which it was declared actuarially sound. We can attempt to devise another fund where the reduction is not made, but this one was set up on the basis that it would be made.

Mr. Hansell: In that case, Mr. Chairman, I cannot very well see that Canada has a universal old age pension.

Mr. Martin: The Acting Prime Minister covered one aspect of my hon. friend's question. The fact is that at the age of 70 the pension is paid, as a matter of right, to everyone in Canada without the means test. Therefore it is correct to say that Canada's old age security scheme is universal in character.

Mr. Hahn: In connection with the statement of the Minister of National Health and Welfare, I would gather that if we are going to say, to use his own words, that Canada has a universal old age pension, then we must declare that this pension—and I hope the press will take note of it—is a pension of \$3,000 a year to the age of 70 and thereafter \$2,520 a year.

Mr. Howe (Port Arthur): That is right.

Clause agreed to.

[Mr. Nickle.]

On clause 2.

Mr. Harkness: Can the Acting Prime Minister tell us just what changes this clause makes in regard to what the situation was previously under the old section 2, which is on the right hand side and which is repealed by this new clause? To me the language is a little confusing. I do not know exactly what changes were made.

Mr. Howe (Port Arthur): The twenty-first parliament was the parliament that preceded this one. The clause provides for the deductions made in previous parliaments, and also for the deductions to be made in this parliament and subsequently.

Mr. Harkness: It is still not very clear. As far as I can see, this provides that all sessions previous to the seventh session, that is up to the last session of the last parliament, will be counted as a session, and any payments made on behalf of this will count toward the pension. That is as far as the last session was concerned. The withdrawal allowances, which mean the same thing, were subtracted from the indemnity and they will count, I would take it, as one session toward the pension. What is the situation as from the date of the last parliament? Does the next period of entitlement or the next session start from the day of the election and therefore end six months after that, or what is the situation?

Mr. Howe (Port Arthur): There are so many eminent lawyers in the house that I do not know why a layman like myself should attempt to say what the bill means; but as I understand it, I qualified under the original bill; therefore my pension is governed by the original bill. There are those here who will qualify partly under the original bill and partly under this bill. The extent to which they did qualify under the original bill stands, and in future they will be governed by the present bill. In layman's terms I think that is what this particular clause means.

Mr. Hodgson: I should like it made a little clearer. What the Acting Prime Minister is saying is this. Take the class who came here in the election of 1945. They had served 11 sessions up to the last election, as I calculate it. That means that if they have paid in they will be entitled to count 11 years toward the pension. From now on they have to serve six more years to be qualified under the new legislation.

Mr. Howe (Port Arthur): That is exactly the meaning of the clause as I understand it.

Mr. Diefenbaker: I was wondering whether the minister might clear up this situation. Did a person who was a member of the