

Adjournment Debate

have served their country in the armed forces or in the Royal Canadian Mounted Police find that, although they retired regularly under the provisions of their contract, they have to stay on fixed pensions, even in times of rapid inflation, in some cases for a number of years.

When I raised this matter on October 24, 1974, I asked the Minister of National Defence if he would lock arms with his colleague, the Solicitor General (Mr. Allmand), who is responsible for the RCMP, and for the two of them to have a conference with the President of the Treasury Board (Mr. Chrétien). I recognized the fact that these plans all hang together and that there would have to be concerted action, and so I expressed the hope that the minister would consider this matter in concert with the Solicitor General and make the necessary representations to the President of the Treasury Board. My hope was that the two ministers on behalf of their respective employees would go to work for a better deal for both groups.

The minister's reply on that occasion was the same answer that I received on April 15, 1975. He said, "Yes, I will be glad to do that". I hope that by tonight there is a favourable report.

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of National Defence): Madam Speaker, the amendments to the legislation governing escalation of annuities for retired members of the forces were approved by parliament after careful consideration of all the classes of retired persons involved, bearing in mind the cost to active members of the forces, the public service, and others, as well as the views of taxpayers, many of whom are covered under less generous pension plans. At that time there was substantial agreement that similar contributions and similar benefits should apply for retired members of the forces, the RCMP, the public service and former members of the House of Commons.

The determination of the age at which payment of annuity increases would begin for retired members of the forces and RCMP who had reached age 55 with 30 or more years of pensionable service was designed to remove the anomaly created by earlier amendments to the Public Service Superannuation Act, which permitted public servants to retire on unreduced annuities after reaching age 55 with 30 or more years of pensionable service. Because under the armed forces plan an individual can retire generally between age 44 and 55 and receive an unreduced annuity, it was considered equitable to begin payment of cost of living increases to the military, the RCMP and former members of the House of Commons at the same age as the public servant can receive an unreduced annuity.

Under the provisions of the Act, serving members of the Canadian forces, the RCMP, and the public service since 1970 are required to contribute equally with the government toward the cost of the supplementary cost of living benefits available to their annuities. Although the government assumed the full cost of increases for all those who benefit from annuities who retired prior to 1970, and the cost of the escalation for those retired since 1969 which is not covered by their contributions, it is evident that the contribution rate required to provide immediate escalation on retirement for members of the forces who retire between age 44 to 55 would be so much higher to support the program as to be prohibitive.

The legislation is subject to continuing review to determine whether further liberalization of the qualifying provisions can be made for all those concerned, bearing in mind the cost of further liberalization. I wish to assure the hon. member that it is the minister's desire to improve to the maximum possible the forces' superannuation plan, and some improvements that have been recommended are included in Bill C-52 now awaiting second reading.

While I am sympathetic to the complaints of those receiving annuities who would like immediate escalation, any change in benefits for their group must be assessed by priority in relation to the many other demands for improvements in social legislation, such as providing allowances for spouses of old age security recipients, lowering of the age at which old age security payments and Canada Pension Plan payments can be made, improving Canada Pension Plan benefits, providing a guaranteed income, assisting home ownership, and other social programs which would have a more universal application. For this reason the government is unable at this time to propose an earlier starting date for the escalation of annuities.

ALLEGED DIFFERENCE BETWEEN STATEMENTS BY
MINISTERS ON INTEREST RATE ON LOAN TO CUBA

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my point of debate tonight arises from questions regarding the tortuous policies of CIDA and what appears to be careless and unrestricted waste of the Canadian taxpayers' money in many parts of the world, mostly in countries which the government likes to term the third world or the emerging countries of the world. My point tonight pertains to the government's \$10 million loan to Communist Cuba as announced by the Secretary of State for External Affairs (Mr. MacEachen).

I brought this matter up first of all on February 20 during the CIDA debate, when I rose on a point of order. I quote from page 3408 of *Hansard* of that date:

● (2210)

—I rise on a point of order. Having listened to the minister's comments with interest and heard him speak about the Cuba loan, may I ask what is the interest rate on this loan?

MR. MACEachEN: Mr. Speaker, I have the press release here. It contains all the details. I will be happy to send it to the hon. member.

As stated in *Hansard*, the minister sent me his press release revealing that the rate of interest was 3 per cent. That is now the established truth. This government is lending Communist Cuba \$10 million for 30 years at the ridiculously low interest rate of 3 per cent, with no repayment required for the first seven years.

Just previous to that I had asked the Minister of Finance (Mr. Turner) during the question period how he could justify charging the Canadian taxpayers 9¾ per cent on a recent Canadian bond issue while lending this money to Communist Cuba at 3 per cent. The Minister's answer is to be found on page 3395 of *Hansard* for February 20, in which he admitted that the loan was being made, but that 3 per cent was not the rate of interest.

So, as you can see, Madam Speaker, I received two clearly different answers from two ministers. Which one