

*Pensions*

question. We need passage not only of the bill in which he is going to talk about total compensation but as well passage of the bill which will bring in amendments to the supplementary benefits.

It is important, Mr. Speaker, that we mesh all these bills together. We cannot deal with one bill prior to another bill when they are involved with the same principle; that is, total compensation. It is noted that the amendments with respect to the public services pension program will apply to MP's as well. I do not want to dwell on that too long, but I know that many people will say "hear, hear" with respect to that, so I will just leave the matter alone.

● (1702)

A very important principle is placed before the House and the people of Canada which the minister has explained well enough. There is a deferral of indexing to the age of 60 if you retire before, and the minister has explained it.

**Mr. Francis:** The indexing does not apply to MPs.

**Mr. Alexander:** I am not talking about MPs. My comments with respect to MPs are finished and I am not getting into that one.

**Mr. Knowles (Winnipeg North Centre):** Why not?

**Mr. Alexander:** Because the minister will be involved with it, so why should I? I made my point. The minister recognizes that there is a problem and he has indicated it will be dealt with.

As I said, the deferral is an interesting point. The third point is that if you retire before the end of the year, the indexing would be fairly decent. We know what the minister is talking about in this respect, and I do not want to mention any civil servant by name. Let me simply say that his name starts with R. In this regard he did all right.

**Mr. Knowles (Winnipeg North Centre):** And his first name is Simon.

**Mr. Alexander:** We will have no more of that nonsense. You cannot put your hands into the public trough to that extent. That was a significant abuse, and I am pleased to know the minister has seen to it that there will be no more unwarranted dipping of big, greasy hands into the public trough.

The most important point in the minister's statement is that he has brought about a new formula. If I understand it, it is a cost of living formula based on CPI which is now to be applied on an ad hoc basis, determined three years in advance. This is still indexing. Let no one in this House or outside the House think that we do not have indexing. We do, and I have already explained what form it will take. But I am concerned, and so is the government, about those who are on fixed incomes, those who are not able to buy bread and milk. In short, we are concerned about the poor and those who can least afford to be caught by inflation but who are most burdened by it.

[Mr. Alexander.]

The minister understands that we must have some form of indexing so as to deal with inflation which is the result, to be kind to him, not of his incompetence but of the incompetence of the government. The government has spent money like mad and has printed money like mad. The hon. member for Calgary Centre (Mr. Andre), when the minister tabled his estimates for 1978-79, took the minister over the pole because there did not seem to be any restraint whatsoever. As a matter of fact, the hon. member for Calgary Centre indicated that the operating cost of the federal government will rise by 13.6 per cent in 1979, whereas the minister referred to some 9 per cent. We have to watch the minister.

**Mr. Knowles (Winnipeg North Centre):** He called it flim-flam.

**Mr. Alexander:** That is what I call it, too. The first thing we are concerned about is that there be recognition that not everybody in this place receives a \$35,000 pension. That is something on which the minister should have dwelt because it concerns many of us. Many people outside this place think that everybody here will get a \$35,000 pension. The vast majority of pensions here will be in the neighbourhood of \$5,000 or \$6,000, and that is nothing great in this day when the cost of living is accelerating madly.

Even though the minister recognizes the problem and is moving in the right direction, I do not know whether this is the right approach in terms of the minister's answer to the problem, because there are questions. I want to know who pays for those who are already retired and who have never contributed. This is the problem we are facing now. Are they included in the plan? I think the minister in due course will give me an answer to that. Are we looking beyond the three year period when indexing takes place in January of 1979?

Even though I appreciate what the minister is doing, I do not know in particular whether this is the right program. As I said, we want comments from the public service bargaining units, from the private sector, and from all other interested parties after they have had an opportunity to read the minister's statement and, what is more important, to read the bill.

If we are only talking about a three year period, what will happen in the fourth year? The minister is smiling, but this is a complex matter and I have only limited time. We will be involved in this in the standing committee, so we have plenty of time for that. Suppose we have high inflation in that fourth year, will the contributions be raised or will there be no indexing?

I raise these questions to let the minister know that we are aware of what is happening here, and we are concerned. We are concerned about one thing in particular. The minister has said that the plan must be implemented on January 1, 1979. This means that the Supplementary Retirement Benefits Act must be amended. In view of the fact that there is an election climate right now, everyone is talking about the forthcoming election, is this not an election gimmick? I am reluctant to suggest this, but the minister knows he will be involved with actuaries, he will have to introduce legislation which will have to be given first and second reading, then go to committee, come back here for report stage and be given third reading,