

I know that what we are into here, Mr. Chairman, is a matter of policy—a matter of Government decision. We have before us the experts who have had to translate that Government decision into actual formulas. What I am really objecting to is the policy.

Mr. CHATTERTON: What Mr. Knowles is trying to do is to correct the inequities and anomalies that are inherent in the Canada Pension Plan.

Mr. KNOWLES: Not at all.

Mr. CHATTERTON: The experts, when they appeared before the Canada Pension Plan Committee, said that when you try to integrate the Canada Pension Plan with any other funded plan you run into difficulties. It is just not practical.

Mr. Clark has indicated that the survivor benefits of the Canada Pension Plan will not apply to civil servants as in the case of all Canadians until 1968, except the disability benefit which applies in 1970. A civil servant who retires next year, for instance, gets merely the survivor benefit under the P.S.S.A.

Dr. DAVIDSON: That is right.

Mr. CHATTERTON: The widow of a civil servant who retires in 1968 gets the benefits from both, and I will show you in time where a widow gets a pension greater than her husband's salary. My question is: Was it not possible to integrate in such a manner that even though a civil servant who retires next year will get greater survivor benefits from the P.S.S.A. they will be subsequently reduced when the survivor benefits of the C.P.P. are applied, keeping in mind that you have done that, in effect, already in that a civil servant who retires before he becomes eligible for the C.P.P. benefits has strictly a P.S.S.A. pension? That P.S.S.A. pension is adjusted at the time when he becomes eligible for the C.P.P. payment; is not that right?

Mr. CLARK: Yes.

Mr. CHATTERTON: Did you try to do that, or was it found to be impossible?

Mr. CLARK: Mr. Chatterton, the approach in dealing with this aspect was not to improve the basic existing benefit formula under the P.S.S.A. All I can say is that it was not proposed. I guess it is as simple as that.

Mr. CHATTERTON: It was not even considered?

Mr. CLARK: Well, I suppose you could have had the parallel consideration that in ten years from now, say, the maximum gain from the integration formula will take place, and the same approach might then be suggested for any civil servant retiring in those ten years. Why should you not give him a higher benefit than that of the civil servant retiring in 20 years with the same salary experience? This was not the approach that was considered.

Mr. CHATTERTON: I can see that it would be almost impossible from a practical point of view to integrate that feature, but the fact is that the survivor benefits all have a fixed amount in them. For example, the widow's pension is \$25 per month plus a percentage, and the orphan's benefit is a fixed percentage, and so on. In view of the fixed benefits of the C.P.P. it seems to me that it would have been possible to amend the survivor benefits of the P.S.S.A. to adjust them for those who do not get both.