

Retired Civil Servants' Pension Increase

the basis of a 4 per cent interest rate for the Government of Canada.

Mr. Drury: There is no basis for that statement. That is sheer mythology.

Mr. Stanfield: It is computed on a 4 per cent basis.

Mr. Drury: No, it is not.

Mr. Stanfield: I may be wrong, but I do not think I am seriously wrong. I think the government is profiting substantially from the superannuation fund, though it is not a funded plan. I must say I cannot go along with the 2 per cent ceiling. The 2 per cent ceiling on adjustments related to the cost of living, on the basis of performance within recent years, is completely unrealistic. I think this question should be looked into further, that the ceiling should be removed so that annual adjustments can be reasonably related to the change in the cost of living. As a result, in future pensioners will not find themselves in the very difficult position in which they found themselves in recent years, with their pensions not being adjusted in accordance with increases in the cost of living.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have waited for about 25 years to be able to make the statement I am now very happy to make. Like the Leader of the Official Opposition (Mr. Stanfield) I could find areas for criticism, but the first word I want to say is that there are 35,000 retired civil servants and 17,000 widows of retired civil servants plus many thousands of pensioners from the RCMP and the Armed Forces who will say tonight, "Well, this is a Merry Christmas after all."

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): Like the Leader of the Opposition, I feel this should have happened long ago. The point is that now it is happening and I rejoice for those who will get the benefit of this announcement made by the President of the Treasury Board (Mr. Drury).

Let me comment on one or two things about this plan which I think are good. It is true that through most of the years I have been dealing with this issue I have been primarily concerned with those who are already retired. But I have made it clear that it is also necessary to make provision for those who are

[Mr. Stanfield.]

still working in order that they will not be in the same boat that the retired civil servants have found themselves in for many years.

One thing that is good about this plan is that it covers both groups. It makes an arrangement whereby people who are now retired may receive in April, 1970, an increase in their pensions ranging from 2 per cent—they will not think that their Christmas is all that merry—to those in other categories who will get as high as 42 per cent. They will realize that this is a useful and most welcome piece of legislation.

Not only does the plan increase the pensions of those already retired—and I have read carefully the notes the President of the Treasury was good enough to give me a few minutes ago—but it says to those who are now in the service that when they retire the same accelerating formula will apply to them during their years of retirement.

For all the critical things I might want to say, it is a very significant moment when this announcement is made in the House of Commons. I must say I regret the ceiling of 2 per cent in the amounts to be added in later years, and this is the same regret we have about the ceiling that is in the Old Age Security Act and the Canada Pension Plan. I hope in due course we can get that ceiling revised in respect of all these plans. The significant thing about this announcement is that we are making a start on doing something for those who are now retired and in need of this pension increase, and that we are also making provision for those people who will retire in the future.

It strikes me that what the minister has announced regarding the slightly different arrangement for those in the Canadian armed forces and those in the RCMP is quite justified. I am also glad to note that the legislation will provide a similar increase in the pension of retired Members of Parliament. As hon. members will have noted, this will not affect those of us who are now in this House, and I am glad that that issue has not been raised at this time. I think it is clear, however, that this will do something for those who have been away from the House for a number of years, many of whom are living on pensions which have an unrealistic ceiling. They will be able to benefit from an increase in their pensions that will be most welcome.

Let me say, Mr. Speaker, that I hope the fact that these arrangements are being made for retired civil servants, retired members of the armed forces, retired RCMP personnel,