

### *Supplementary Retirement Benefits*

perhaps they would freeze wages and prices. They have not even said that with any great authority or definition.

I am convinced that the public servants in this country and others will benefit greatly from the measures recommended by this government and brought in today by the President of the Treasury Board (Mr. Drury). I hasten to join with other members, including the hon. member for Grenville-Carleton, in saying that they will benefit these people and will be welcomed by them.

I am sure all public servants and other workers in the national capital area will realize this as an act of a responsible government and responsible employer, attempting to set a standard which should be followed. We are not engaged in an auction. We are not engaged in bidding 30, 34 or 38 cents, as were the other parties last week, but attempting to be a responsible employer and to set an example by these very necessary and worthwhile amendments which I heartily endorse.

**Mr. Peter Reilly (Ottawa West):** Mr. Speaker, every time an officer or representative of the government, as did the hon. member for Ottawa Centre (Mr. Poulin) just now, rises to speak about the public service of Canada, we are told that it is one of the finest, if not the finest in the world. One is left to wonder why they have been treated the way they have. Why did they have to sit still while the cost of living, caused largely by the bumbling of this government, has steadily risen over the past few years? Indeed, a total reduction of 50 per cent in the buying power of the Canadian dollar has taken place since this government took over 10 years ago.

Why have these public servants, perpetually eulogized by members and representatives of the government as the best in the world, had to sit with their miserable 2 per cent as the cost of living rose inexorably 5, 6, 7, 8 and now 50 per cent? One is left to wonder why at this particular stage the government has chosen to remedy this deplorable situation. Could it have any remote connection with the fact that three parliamentary seats in this area, heavily populated by public servants, both working and retired, were lost to the Liberals in the last election? Could a member of parliament be as cynical as to suppose a thing like that? I do not know, but one is left to wonder.

The struggle for a superannuation plan in the public service goes back a long way. In fact, it goes back to 1924, after a struggle of some six years during which the civil service commissioner of that day repeatedly tried to obtain such a plan for his employees. Even when it was established in 1924, it was not regarded as a matter of right. In fact, in the history of the civil service, entitled, "The Biography of an Institution", the reasoning for the institution of the plan is described in this way:

It is believed that a superannuation scheme will prove one of the best means of promoting efficiency in the service. No system of classification or improved methods of administration will be operated satisfactorily in the Civil Service until a comprehensive measure of superannuation is in force. The advantages of superannuation in the public interest are apparent inasmuch as it relieves the Government of the embarrassment and extravagance of retaining the services of officers who have outlived their usefulness; creates a proper flow of promotions; renders the service more mobile; deters efficient officers from leaving the public services for private employment where emolument and opportunity may be greater; helps to attract a better class of applicants for positions

[Mr. Poulin.]

in the service and in general tends to promote efficiency in every way.

That was in 1924. Today, still grudgingly, the government is beginning to accord to its public servants, whom as I have said before are perpetually eulogized as the best in the world, whose age or disability has forced them to retire from active work, the right to begin to catch up with the rampant inflation which the multiplicity of government schemes have failed to check. We have had measure after measure, scheme after scheme and things have gotten worse and worse, just as the Economic Council of Canada warned they would as far back as 1969 if this government did not attack inflation in a different way.

Not too long after President Nixon took office in the United States, he said he was going to try to fine-tune the economy in order to stop inflation, to which one commentator replied that he might just as well try to fine-tune a flood on the Mississippi River. That is what this government has been trying to do. It has failed. Because it has failed, many thousands of people who gave their best in the service of government have been the victims. But while some small relief was given, unlike the hon. member for Grenville-Carleton (Mr. Baker) and the hon. member for Ottawa East who has now left the chamber—

● (1500)

**An hon. Member:** Ottawa Centre.

**Mr. Reilly:** I mean the hon. member for Ottawa Centre (Mr. Poulin). I am sorry; he is repeatedly being referred to as the hon. member for Ottawa East. Unlike those hon. members, I am not prepared to extend any congratulation to the government on this move. It comes too late. It does provide a small measure of relief, and I am glad of that. Still, there are a great many faults in this bill as there are in the whole retirement scheme for public servants. I shall try to list a few of the changes I should like to see.

There are a few statistics. There are presently on pension, according to the latest figures available, 44,876 former employees, and maybe now another 10,000; the figures for 1972 are the latest I could obtain. There are 24,401 widows of former civil servants depending on pensions, and 3,840 children, bringing the total affected by this bill, within the public service, to 70,117.

The escalation proposed by the government is based on the consumer price index. I believe it should be based, instead on a wages and salaries index. Since collective bargaining in the public service began only some seven years ago, salaries have risen astronomically by the standards of earlier days, and public servants should receive pension increases which would lift them into line with pensions currently offered to the more highly paid persons now performing precisely the same type of work. The same principle should extend to widows and orphans.

I believe pensions should be calculated on the basis of the best three years of employment, not on the basis of the best six, and I believe there should be an end to sexism in the application of the pension scheme. As the Royal Commission on the Status of Women in Canada pointed out at page 110 of its report, there is yet another shortcoming in the Public Service Superannuation Act. I quote: