

*Pensions*

June or July of last year, and an increase since that time. I am speaking without notes, of course, but it does seem to me that for the 10-year period I have described accurately enough for our purposes the alterations in the consumer price index.

If it were the case that the government would be expected to alter its wage payments and its pension payments—based on the cost of living index, I shall say for the moment, alone—you would see there would be hardly a session of parliament when we would not be altering these to some degree. You would see as well, sir, that the civil service associations, having regard to their wage levels would hardly expect us to use this index when it went down; and I for one would not think they would not have a good case in making the objection, because one should have a continuity of employment and wage level with an increase based not only on terms of service and ability and the like but we would hope a steadily increasing wage level from year to year or at least, if the conditions were justified, from time to time.

On that basis, then, I suggest that while the consumer price index might be a suitable handle to use to argue any given case, it is not by any means too reliable nor should it be considered any more than a portion of any argument about wages or pension levels.

The second point I wish to make—and this is one which everyone who has spoken today has either overlooked or has passed by with only a passing reference—is the very large number of these people whose income by way of pension is low because of their short term of service in the civil service. Mention has been made of this by some speakers. I must confess that I am not able to present to the house the number out of the 13,000-odd we are talking about who had service of less than say 10 years. It is my fault that I have not been able to get the figures for this occasion, but as I think I pointed out on another occasion, Mr. Speaker, one of the reasons hon. members have by way of argument in this case is the number of low pensions paid in Canada. I think almost without exception every speaker has not gone on in fairness to say why we have such a large number of low pensions and superannuation payments for civil servants.

The reason, as everyone who has looked at this question knows, is that Canada pays superannuation earlier than any other country that has been mentioned here tonight; so that by our very generosity—although it is not generosity, I think it is a very wise program—by the very fact that we give to civil servants an advantage not obtained in either

the civil service of the United Kingdom or that of the United States, we find that our records indicate low pensions to a great many who otherwise would not receive pensions. To that extent, then, hon. members are inclined to say we are not being fair with these people in paying them such low amounts.

The motion itself speaks of increasing pensions for those who were retired when salaries were low. I must apologize for not being in the house when the hon. member for Fort William began his remarks, though I came in as soon as I could. I do not know whether he defined what he meant by way of time or what he meant by way of a cut-off date. If you go back 30 years, of course, you will find pensions were low because they were in proportion to the income at that time, and the longer a person lives after retirement the more likely it is that there will be a greater disparity between the pension he is receiving and that which he would receive if he had retired the day before. That of course is obvious; but I am going to assume that the reference here is to pensions which were established shall I say before the war for the sake of argument.

The purpose of a pension is to provide a retiring allowance based on the income, length of service and the like, and is fixed with relation to a definite amount. That is, we have not a system whereby one can alter his pension of his own volition. It has been argued today by several hon. members that because the value of money has declined noticeably, especially for those who were retired a number of years ago, in some manner the government is responsible for this and therefore ought to accept the burden of righting the so-called injustice by making an increased payment.

I would not want that argument to pass without some answer; but I do want to say at this point, sir, that all my arguments are directed to seeing if this case has in fact a good basis other than one of natural sympathy for people who are not perhaps receiving by way of income what is required at the moment, just simply to see in the first place if there is any logical action that might be taken which would not lead us into other disparities quite as bad as the present with which we would have to deal.

The argument that the government is responsible for inflation and therefore ought to pay pensions based on present-day costs rather than costs at the time of retirement is based, I think, on the quotation cited by the hon.

[Mr. Harris.]