

Supplementary Retirement Benefits

Nevertheless, before us at the moment is a bill dealing with just a sector of the pension picture. Indeed, if my statistics are correct, I believe it affects about 100,000 people who are retired. I arrive at that figure by adding up the number of retired federal civil servants, plus their widows and orphans, and the number of retired personnel of the RCAF and Canadian Armed Forces as well as other groups referred to in this bill. I doubt if the total actually is 100,000, but it is of that order.

For those 100,000 people and for those others who are working for the federal government and will join that retired group in due course, this is a very important piece of legislation. However, if I may hark back to what I said that I agreed with the hon. member for Hillsborough, I regard this bill as important not only to the 100,000 persons it will affect immediately, but important, as well, because it establishes a principle which I hope will soon be extended to all pensioners in this country; that principle is the right to have pensions escalated after retirement, and escalated at least to the extent of the full advantage increase in the cost of living. Accordingly, I have no hesitation in saying that I welcome this bill. Indeed, I welcome it warmly. That does not cut off my right to be critical about it and to suggest that some other things should be in it. But in so far as this bill improves the pension position of retired public servants and of those in other groups, I am glad that this bill is before us.

When I think of some of the red letter days I have experienced in my years in parliament, I have to admit that one that stands out is December 19, 1969, when the minister who is piloting this bill through the House announced for the first time that the government was going to bring in legislation providing for the annual escalation of the pensions of retired public servants. It is almost 30 years since the first group of retired civil servants came to see me and asked me to go to bat for them with the proposition that their pensions should be increased after retirement. I am happy to say that two or three of those who came to see me about this matter in 1944 lived to see their pensions escalated in 1970. One of them almost reached the age of 100 and enjoyed quite a bit of the escalation that was introduced.

● (1230)

When that proposal was made on December 19, 1969, and put into law in what was Bill C-194 of that session, passed by the House of Commons on March 23, 1970, it was a pretty good piece of work on the part of the government and the House of Commons, even if it took 25 years of prodding to get it. It provided for persons who had worked for the government in the various categories listed guarantee of an annual escalation of their pensions because of increases in the cost of living.

There were two main shortcomings. One was the imposition of a 2 per cent ceiling on the amount of escalation that could take place in any one year, no matter how much the cost of living might increase. The other was a limitation of age 60. While it did not affect public servants generally, it did have an adverse effect on retired personnel of the RCMP and the Canadian Armed Forces.

Just as I had urged for 25 years that this piece of legislation be brought into effect, the President of the

[Mr. Knowles (Winnipeg North Centre).]

Treasury Board (Mr. Drury) knows I began urging right away that these two improvements be made. He and I have had many night sittings over this. It would take all day to look back over the record. I am glad that the hopeful things he said to me in a number of those late shows will be done some day. I will not even talk about the fact he was very firm that this could not be done until a similar change had been made in the Canada Pension Plan. I suppose the President of the Treasury Board was preventing my doing that by the explanation which he gave. The fact of the matter is these two main shortcomings have now been dealt with in whole or in part by the bill that is now before us.

As I understand it, as far as the 2 per cent ceiling on the escalation is concerned, it will come off completely starting in January, 1974. At one time there was talk that instead of just taking the ceiling off, it might be raised to something like 3 per cent or 4 per cent. Thank heaven that was not done, but that the ceiling is to be taken off completely.

From studying this bill and comparing it with previous legislation, I think there is a bit of a retroactive effect in this legislation which I welcome. This, of course, is a detail that can be dealt with when we get to committee. As I understand it, those who got a 2 per cent increase in 1971, 1972 and 1973, in each of which years the cost of living went up more than 2 per cent, will get the shortfall in the calculation of their rate of increase in January, 1974. In other words, in January, 1974, a public servant who retired in 1973 will get a percentage increase equal to the actual rise in the cost of living for this one year period. Those who retired in earlier years will get an extra percentage point or two for the years 1971, 1972 and 1973. The old timers, those who retired before 1970, can anticipate an increase in their pensions in January, 1974, in the order of 11 per cent, 11 and a fraction per cent or even 12 per cent. That is good. It will mean a great deal to many of these people.

I earnestly hope I have correctly understood it in this regard. In reading the bill, I tried to figure a way in which the government would have to pay some back dollars that it did not pay in 1971, 1972 and 1973 because the 2 per cent ceiling that was in effect then will now come off. I will leave that until we get to committee. However, I do think I am correct in my interpretation of the bill that in January, 1974, persons who were retired prior to 1970 will have a calculation in 1974 which is cumulative so they will pick up the portion of the cost of living increase which they did not get. This is another of those occasions when I am very happy to see the President of the Treasury Board nodding his head vertically. That is good.

One of the things about this life, if I can indulge in a philosophical utterance for a moment, is that we never reach perfection. There is always something more for which to strive. I will get to that in a moment. At any rate, for those of us who have fought so hard and so long for civil service pensions to be escalated by the full extent of the cost of living, this is another of those so-called red letter days.

The other thing that this bill does and to which the minister has drawn attention is to touch in a slight or a meagre way the question of lowering the age at which