

*Oil and Petroleum*

exploration has been carried out and the oil is found. It is ridiculous to suggest that we will encourage Canadian exploration, and Canadians generally to invest money in this country, when we know of the difficulties involved in getting some of the Arctic oil that has been found to our own market. It is ridiculous to suggest that an increase in the price of oil is not necessary even in respect of conventional oil still to be found in the Arctic, or just in that area north of the 60th parallel for that matter.

The cost of extracting oil from the tar sands is very high. The hon. member for Nanaimo-Cowichan-The Islands is an old politician from the province of Saskatchewan. While he does not represent that province here he is well versed in respect of oil exploration difficulties experienced by that province, and the difficulties facing the possible development of the tar sands in the province of Saskatchewan. There is that possibility, but not if he and his party steadfastly state that no price increase is necessary.

Oil extracting from tar sands is a labour-intensive project requiring extremely heavy machinery. The oil and sand mixed is a sticky, abrasive substance and the machinery wears out very quickly. I am sure the hon. member and his party must realize that with an inflationary economy the price of oil should fluctuate, particularly that price in respect of tar sands oil.

It is not good enough to say that we suspect that oil companies and those involved in the industry will take their money and run from Canada. The government must devise a system of inducement in order to encourage oil companies to invest their money here. This can be worked out very easily through an accelerated rate of depreciation. Such rates have been worked out with regard to manufacturing plants, and the same could be done for the oil industry. When profits are being taken from Canada to be used for exploration elsewhere the government should take action through taxation to discourage that. It is not good enough for the government to say it does not know how much of an increase in price is required, and therefore no increase should be allowed. We will eventually run out of oil and become a net importer. This is much like an ostrich hiding its head in the sand. May I call it ten o'clock?

**The Acting Deputy Chairman:** It being ten o'clock, it is my duty to rise, report progress, and request leave to consider the bill again at the next sitting of the House.

Progress reported.

## PROCEEDINGS ON ADJOURNMENT MOTION

[English]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

[Mr. Horner.]

## NATIONAL DEFENCE—PROPOSAL FOR ESCALATION OF PENSIONS OF RETIRED PERSONNEL BEFORE AGE 60—REQUEST FOR REPORT

**Mr. Stanley Knowles (Winnipeg North Centre):** Madam Speaker, on Tuesday, April 15, 1975, as reported at page 4814 of *Hansard*, I put a question to the Minister of National Defence (Mr. Richardson) in these terms:

● (2200)

When we were dealing in the latter part of 1974 with the estimates of the minister's department he said he would look into the matter of the unfairness created by the fact that retired armed services personnel have to wait until age 60 before their pensions are escalated. Is he now in a position to report on this matter?

The rest of the exchange, as recorded in *Hansard* on the page I indicated, is as follows:

**HON. JAMES RICHARDSON (MINISTER OF NATIONAL DEFENCE):** No, Mr. Speaker. I have no further report.

**MR. KNOWLES (WINNIPEG NORTH CENTRE):** Mr. Speaker, will the minister continue the study in the hope that he will have a report soon?

**MR. RICHARDSON:** Yes, Mr. Speaker, I will be glad to do so.

My reference to last fall had to do with Thursday, October 24, 1974, when we were dealing with the estimates of the Department of National Defence. On page 744 of *Hansard* for that date there is a record of my reminding the Minister of National Defence (Mr. Richardson) about what some of us regard as an unfairness in respect of the pensions of both retired armed forces personnel and retired RCMP personnel.

The pension plans affecting these two groups are similar to the Public Service Superannuation Act, but there is one difference, namely, that armed forces and RCMP personnel can retire earlier than is the case for public servants generally. Having retired early, armed forces and RCMP personnel find that the escalation of pensions which takes place annually due to the rise in the cost of living is denied them if they are under 60 years of age. In other words, if they are under 60 they have to wait until that age before the escalation begins. There could be some cases in which this might not be a hardship, but judging by my mail there are many cases where it is a hardship that National Defence retired personnel and RCMP retired personnel have to remain on fixed pension rates until age 60, especially in these times when the cost of living is escalating so rapidly.

The point is made, particularly in the case of National Defence personnel, that there is an element of discrimination in this against those of the lower ranks. This arises by virtue of the fact that one can get the escalation at an age younger than 60 if he is 55 years of age or over and has 30 full years of service. However, it is only those in the senior ranks who can put in that many years of service in the full-time armed forces. Junior ranks in most cases cannot accumulate 30 years of service and so there is a discrimination against them in this matter.

This is a subject that some of us have raised a good many times. It was a victory some years ago when we got the escalation of pensions of retired public servants, retired RCMP and retired armed forces personnel and all others who come under the aegis of the federal government, but it seems to be a shortcoming that those who