

Government Orders

Also, while the bill itself has a lot of good things, it really fails to address some of the concerns of those who appeared before the committee. In particular, is managementable to ensure that employees and those who are benefiting from the plan are getting the maximum benefit?

Our pensioners, particularly our seniors, deserve a lot more than what we have given them in the past. We have to do our utmost to ensure that we have a program and a plan that deals with our senior citizen population's needs. By the year 2010 we are going to have a lot of seniors around. Many of us in this House will be seniors. If not we will be post-seniors. We have a program in place that addresses their concerns and their needs. It meets what they are looking for, that is to live in dignity, to have access to food and shelter, and not to be worried about what will happen to them tomorrow or the day after.

• (1840)

As I indicated earlier, my colleagues and I supported this bill at second reading, but we will not be supporting it at third reading. It is not because we do not support the different components of the bill but, simply put, because the government did not really do enough to address the many concerns of pensioners *vis-à-vis* Bill C-55.

[*Translation*]

Mr. John Manley (Ottawa South): Mr. Speaker, I only have a few brief comments to make on this bill. First, I have to say that I agree with the comments the hon. member for Ottawa West made in her excellent speech on all the problems civil servants and former armed forces members are facing in terms of pensions.

[*English*]

The points the member made with respect to fairness are worthy of being noted. I am very pleased to associate myself with them.

I want to make just a few comments, therefore, on Bill C-55. It has been the subject of a great deal of correspondence received from constituents of mine who have concerns about it either because they are presently employed in the Public Service or the Armed Forces or the RCMP, or because they have been married or are

married to such a person, or because they have been retired themselves.

I will make just a few comments on those points. First, I would like to point out to the House of Commons that the 1991 report of the Auditor General of Canada had some comments to make on the federal superannuation plan. What many Canadians do not understand is that our enormous debt and deficit problems which are continual burdens on taxpayers are likewise a burden on the pension plans of the employees of the federal government. In fact the pension funds that are put aside by federal government employees are borrowed as part of the government's requirement to meet its obligations as they come due.

In his 1991 report the Auditor General made that comment by stating:

A substantial portion of the federal annual budgetary deficit is financed through internal borrowing from accounts that the government administers on behalf of third parties. The largest internal borrowing is from federal employee pension accounts. As a result, \$71 billion, or about 18 per cent of the \$399 billion gross public debt, was owed to employee pension accounts at the end of 1989-90.

We all know how reliable are the projections of the Department of Finance. He continued by stating:

If the Department of Finance's projections that external financing will be reduced to zero by 1994-95 are achieved, it is estimated that the amount owing to employee pension accounts will represent 23 per cent of the total public debt.

That is a very important source of funds for the federal government.

What does that mean for the owners, the employees and the future pensioners of those funds? This is the observation of the Auditor General:

Interest-credited to the pension accounts is based on the government's long-term borrowing rates. It is widely agreed that these rates are between 1 and 2 per cent lower, on average over the long term, than the rates of return earned by pension plans with marketable assets.

The result of that is the government's requirement in the future to be able to fund the pension obligations under these plans is put at risk and may result in various things: It may result in a higher government deficit in future years; it may result in a future government saying we are going to have to reduce the amount of pension benefits payable to these pensioners because the return on the plan has not been sufficient to fund it fully. I think this is scandalous.