

*Adjournment Debate*

of my deathly prose. He had to excuse himself because he was up rather late last night.

**An hon. Member:** Praying.

**Mr. Rose:** No, not praying. I should never want to accuse the Minister of Finance of prayer. I think probably he was receiving the accolades of the very grateful members of his party for this budget of last night. I am sure a great number of defeated Liberals in Canada were equally grateful for his budget just before the 1972 election. If he has to be at home tonight early, I understand that completely and I wish him pleasant dreams.

If we are on the eve of an election, I think in many ways it is an unnecessary one because all the government had to do was indicate it was interested in even a minor way in relieving the kind of distress that has plagued so many of the senior citizens, one might even say pioneers, of my riding. Had the government last evening indicated it was prepared to increase the old age pension and begin a scheme of lowering the retirement age from 65, this would have placed my party at least in a very difficult situation in terms of our decision vis-à-vis the budget. This, of course, has not been the case because we cannot see anything in this budget to assist the people we purport to represent. Therefore, our problem is relatively minor this evening.

● (2210)

Aside from this preamble, the reason I am appearing here this evening concerns a question I asked the President of the Treasury Board (Mr. Drury) yesterday. Mr. Speaker, perhaps you will permit me to quote myself. My question, which appears at page 2056 of *Hansard*, was directed to the President of the Treasury Board. It concerns the public servants and the government's capitulation in the anti-inflation fight which was confirmed later in the evening.

I asked whether the minister had reconsidered his position with a view to awarding this \$500, which incidentally he gave to the employed public servants, equally to the retired public servants and all armed forces personnel who are also faced with the problem of inflation. If I might paraphrase the minister's remarks, he said he was sure the hon. member would recognize that the salaries and wages of public servants are not indexed, whereas the pensions of those who are retired are indexed under the Supplementary Retirement Benefits Act. I went on to say:

In spite of the swarm of gnats in the minister's words, I wonder whether the minister's answer is a flat 'no'.

I do not think the minister's answer was a deliberate attempt to mislead the House, but he said:

The answer is not a flat 'no'. It is that this is already being done.

I am grateful to the muscular member for Winnipeg North Centre (Mr. Knowles) who supplied statistics on the situation which prevails in respect of pensions applying to the people with whom I am particularly concerned, the retired members of the RCMP, the armed forces and public service. On April 1, as recorded at page 1020 of *Hansard*, there is a response to a question which appeared on the order paper. It is a response from the Solicitor

[Mr. Rose.]

General (Mr. Allmand) dealing with the number of Canadian armed forces personnel in receipt of pensions.

Then on April 15, as recorded at page 1406 of *Hansard*, there is an answer which indicates that public servants have magnificent and generous pensions awarded to them by this government. This is dealt with in a fair amount of detail. What I would say about the public service and RCMP I think also applies to members of the armed forces. On page 1016 of *Hansard* it is indicated that there are nearly 42,000 retired members of the Department of National Defence. There are 42 in receipt of less than \$20. I think the crucial point is that of the 42,000, 16,000 have an income by way of pension of \$300 per month, which means that 26,000 retired members of the armed forces receive less than \$300 a month.

I think this applies equally to the public service and to the RCMP. What I am suggesting is that when the minister says he is taking care of this through indexing, he ignores the fact that the members of the public service who are working now have, in a large measure, bargaining rights. But in addition he has given them \$500 to help in the anti-inflation battle.

**The Acting Speaker (Mr. Boulanger):** Order, please. I regret to interrupt, but the time of the hon. member has expired.

**Mr. Herb Breau (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, I am glad the hon. member spoke about the subject raised in his question. As the President of the Treasury Board (Mr. Drury) stated yesterday when this question was raised in the House, provision has already been made for the full escalation of pensions of retired public servants as well as retired armed forces and RCMP personnel through the amendments to the Supplementary Retirement Benefits Act which were passed by parliament last September. Previously, as hon. members will recall, the rate at which pensions were increased under that act were subject to the same ceiling of 2 per cent each year as had applied until then under the Canada Pension Plan.

The amendments introduced by this government and approved by parliament in September of 1973 provide that any increase in the consumer price index would be fully reflected in the escalation of benefits under that act in the future. In addition, the increases authorized by these amendments reflected the full change in the consumer price index since the Supplementary Retirement Benefits Act was passed in 1970, or the year in which the pensioner concerned ceased to be employed, whichever is the later. As a result of this, the new pension increases which became payable in January of 1974 ranged from 6.7 per cent for those who retired at any time in 1973 to 11.9 per cent for those who retired in 1970 or earlier.

This action by the government was the forerunner of a number of similar increases in pension made by various federal agencies with separate pension plans. At about the same time, the regulations under the Income Tax Act which have effectively limited the escalation on most private pension plans to the old 2 per cent ceiling were also amended to permit similar action by private employers. While I am not aware of many private employers who have seen their way clear to make corresponding increases