

May I point out that the so-called free right to retire accorded to the individual public servant is not completely free. He has to meet the conditions set out in the legislation. He has to be 55 or over in order to get an immediate pension equal to 2 per cent times the number of years he has been in the service, times the average salary of his six best years. If a public servant is between 50 and 55 he has to meet the further condition of having a certain minimum number of years service, and he has to subject his early retirement pension to a reduction formula.

● (4:50 p.m.)

I have tried to understand the various formulae in the legislation and I believe I do understand them. I admit I am picking out for purposes of my illustration the minimum one. As I understand this, a public servant who is 50 years of age and has 20 years of service can retire or can be retired at that point and receive an immediate pension. But, by the formula set out in this bill, that immediate pension is cut in half from what it would be for 20 years of service so that instead of receiving 20 times 2 or a 40 per cent pension he would receive half that or a 20 per cent pension. I submit it is all right to give a public servant the privilege at age 50, if he desires it, to leave the public service and go out on a pension equal to 20 per cent of the average of his six best years. That is his choice and he must meet the conditions in order to receive such a pension. One of the conditions is that he must accept the reduction in his pension rate.

But, Mr. Speaker, the government would be in a position to say—and this is why I use the word “ugly”—to a public servant who is 50 years of age and who has worked for the government and the people of Canada for 20 years: You are out; you are retired and our hands are clean because we are putting you on an immediate pension; you do not have to wait until you are 60 or 65 years of age, you get it now.

What is that pension? It is 20 per cent of the average salary he has had for his best six years. It is just talk these days to say that such a person is therefore free to go out, obtain any other kind of job he wishes and build up another pension. There is such a thing in this country today as unemployment. We ought to be aware of it from the efforts made on the floor of this House to make the government aware of it. We are aware of the fact that it hits certain groups very severely. One of these groups is the people over 40 or 45 years of age.

I say that to retire a person today at age 50 on a pension equal to 20 per cent of his average salary over his best six years is a mean and ugly thing to do. Yet, that is what is being made possible by this legislation. I know someone on the government side might defend this position, if he has the gall or nerve to do it, by saying that the government can do this now. The government can dismiss a public servant at age 50 on no immediate pension. The government can dismiss such a person and the best that person has to look forward to is a deferred

*Government Organization Act, 1970*

pension when he reaches age 60. We have the notion that because that is the situation, because a public servant who can be fired by the government today at any age has only a deferred pension to look forward to, there is a little bit of inhibition working here; that is, that the government is a little reluctant to fire people and turn them out in the cold without any pension at all. Under this legislation the government will lose that inhibition and be able to say, with all the pride and virtue it is able to present, that it is not turning these 50 year olds out in the cold because it is placing them on an immediate pension.

Because I think my working out of the formula is correct, Mr. Speaker, I repeat that a public servant at age 50 who has had 20 years service can be retired at this point on a pension of only 20 per cent of the average salary he has enjoyed over his six best years. So, Mr. Speaker, I say this is unfair. I usually read with interest what organizations of employees say about matters of this kind and when they say things with which I agree I do not hesitate to quote them. Sometimes, I am a little disappointed. I believe the Public Service Alliance has missed the point on this. I saw its publication of a few days ago in which the Public Service Alliance greeted without qualification this right of public servants to retire early. I repeat that I am with the Public Service Alliance to the extent that in so far as this is a voluntary right, it is something to be greeted. But what about the position of the 50 year old or even the 55 year old who is right in the midst of trying to get his sons and daughters through college, who is trying to pay off the mortgage on his home and who has made plans to retire at age 60 or age 65, for whom there is no old age or Canada Pension Plan benefit until age 65? The government might say to that person that he must go.

Now do not tell me, Sir, that this government would not do such a thing. It did it in the last year or so, even when these immediate pensions were not available and when the best to be offered was a deferred pension arrangement. So, I see this business of placing this weapon in the hands of the employer as being mean, ugly, and despicable. I wish the organizations which are prepared, as I am, to welcome the voluntary side of it would take another look at this side. I said earlier that the President of the Treasury Board probably will say it should work both ways, and that if the employee has the right to make his choice the government should have the right to make its choice. The employee must make his choice within certain conditions and his whole life is at stake. He knows what his plans are and can make his choice in the light of those plans, but the government does not have to meet any condition at all. It does not have to offer any alternative. The government can say to the person who is placed in these circumstances that before this legislation came in he could have been fired anyway, without a deferred pension, and now because he can be retired immediately with a 20 per cent pension, out he goes, whether he likes it or not.

I think this is an ugly situation and one at which we might look a little further at eight o'clock.