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Thursday, May 4, 1995

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Thursday, May 4, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table in both official languages the government's response to 51 petitions.

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[*Translation*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I have the honour to present the 75th report of the Standing Committee on Procedure and House Affairs on the February 28, 1995 order of reference from the House of Commons concerning the Main Estimates for the fiscal year ending March 31, 1996, in particular Vote 5 under "Parliament—House of Commons" and Vote 20 under "Privy Council—Chief Electoral Officer".

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[*English*]

PETITIONS

BILL C-41

Mr. Peter Milliken (Kingston and the Islands, Lib.): Madam Speaker, I have the honour to present a petition signed by numerous residents of Ontario, most from the Kingston area, concerning Bill C-41, asking that Parliament delete certain sections from the bill.

JUSTICE

Mr. Ian McClelland (Edmonton Southwest, Ref.): Madam Speaker, I have the privilege of presenting a petition. I want to

make it clear that in presenting this petition I do not agree with the actions of the person represented in it.

The petition has to do with the case of Robert Latimer of Wilkie, Saskatchewan. Numerous petitioners ask Parliament to recognize that the actions of Robert Latimer were motivated by love and should not be treated similarly to actions motivated by other reasons.

It is a very difficult and very distressful situation. I certainly concur with the mood and the feeling of these petitioners that there needs to be some recognition in the laws of Canada that would allow the courts to provide for sentences with leniency for people based on the motivation of their offence.

It is my pleasure to present this petition on their behalf.

RIGHTS OF THE UNBORN

Mr. Jim Jordan (Leeds—Grenville, Lib.): Madam Speaker, I have two petitions from citizens in my riding.

The first asks that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

I support that petition.

ASSISTED SUICIDE

Mr. Jim Jordan (Leeds—Grenville, Lib.): Madam Speaker, the second petition asks Parliament to ensure the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

I support that petition also.

GOVERNMENT SPENDING

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Madam Speaker, I am pleased to rise in the House today to present three petitions.

The first is from residents of my constituency and neighbouring constituencies including Burnaby and Surrey. The petitioners call upon Parliament to reduce government spending instead of increasing taxes and implement the taxpayer protection act to limit federal spending. There are about 550 signatures on this petition.

I present that with pleasure to the House today.

Routine Proceedings

(1010)

ASSISTED SUICIDE

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Madam Speaker, the other two petitions deal with the importance of Canadians' values in government policy.

Both are from members of my riding. In the first, with approximately 300 signatures, petitioners pray that Parliament ensure present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

RIGHTS OF THE UNBORN

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Madam Speaker, the other petition, also from members of my riding and with almost 300 signatures, asks that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

Again, it is my delight and pleasure to present these petitions. I pray that Parliament will take note of them.

HUMAN RIGHTS

Mr. Rex Crawford (Kent, Lib.): Madam Speaker, I am honoured once again to rise in the House pursuant to Standing Order 36 with a petition from people from Elderton, Kamalka, London, Ontario, Danfield and Lambton county and Elgin county.

These petitioners pray and request that Parliament not amend the Criminal Code as proposed in Bill C-41, the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality by including the undefined phrase sexual orientation.

I agree with this petition.

RIGHTS OF GRANDPARENTS

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Madam Speaker, it is my privilege to rise today on Standing Order 36 to represent constituents from all over Canada. There are over 2,000 names here and added to what I previously presented, we have presented over 15,000 names in this Parliament.

These petitioners request Parliament to amend the Divorce Act to give grandparents standing before the courts and therefore allow them to protect their grandchildren and by doing so protect the child's right of access to his or her family.

ASSISTED SUICIDE

Mr. John Williams (St. Albert, Ref.): Madam Speaker, pursuant to Standing Order 36, I am honoured to present a

petition on behalf of a number of my constituents organized by Francis Kastelan.

The petitioners request that Parliament ensure present provisions of the Criminal Code of Canada prohibiting assisted suicide be vigorously enforced and that Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

Not only am I pleased to present this petition but I endorse the petition as well.

Mr. John Solomon (Regina—Lumsden, NDP): Madam Speaker, I have two petitions to present this morning. One is from many constituents in my district and in particular my neighbourhood. The petition is in relation to section 241 of the Criminal Code.

The petitioners are asking Parliament not to repeal or amend section 241 of the Criminal Code in any way and to uphold the Supreme Court of Canada decision of September 30, 1993 to disallow assisted suicide, euthanasia.

I table this pursuant to Standing Order 36.

THE SENATE

Mr. John Solomon (Regina—Lumsden, NDP): Madam Speaker, the second petition I have is in relation to the Senate. It is signed by many people in my constituency and from other parts of Regina, Saskatchewan.

The petitioners say the Senate is costing Canadians about \$60 million, which is about \$60,000 too much, and are asking the House of Commons to repeal sections 41 and 42 of the Constitution Act, thereby abolishing the Senate which they believe is a useless institution.

MINING

Mr. Benoît Serré (Timiskaming—French River, Lib.): Madam Speaker, it is my pleasure to present a petition signed by 1,061 Canadians across the country.

The petitioners, recognizing the importance of mining in the country, call on Parliament to take action that will increase employment in this sector, promote exploration, rebuild Canada's mineral reserve, sustain mining communities and keep mining in Canada.

ARMENIAN GENOCIDE

Mr. Sarkis Assadourian (Don Valley North, Lib.): Madam Speaker, pursuant to Standing Order 36, I am pleased to present to the House a petition signed by 38 Canadians of Armenian descent on the occasion of the 80th anniversary of the genocide.

(1015)

These 38 individuals marched from Montreal to Ottawa from April 21 to April 24, the day they arrived. They humbly ask Parliament to adopt their petition and condemn the genocide against the Armenian people committed in 1915.

HUMAN RIGHTS

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Madam Speaker, pursuant to Standing Order 36, I would like to table two petitions. They call on Parliament not to amend the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I would ask that the remaining questions be allowed to stand.

The Acting Speaker (Mrs. Maheu): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.) moved that Bill C-85, an act to amend the Members of Parliament Retiring Allowances Act and to provide for the continuation of a certain provision, be read the second time and referred to a committee.

He said: Madam Speaker, the pension plan for members of Parliament has been a matter of discussion and concern by members of Parliament and by the Canadian public for quite a number of years. In recent times we have received many petitions and letters on the subject. Indeed, the House addressed the issue previously with a full day of debate on November 22, 1994. Members had the opportunity to discuss the various ins and outs of what needed to be done in terms of the MP pension plan.

Today, we begin second reading debate on Bill C-85, an act to amend the Members of Parliament Retiring Allowances Act.

[Translation]

This matter has been debated publicly for over a decade.

Government Orders

[English]

When the Liberal Party entered the 1993 election campaign it put forward a policy book of specific recommendations that a Liberal government would undertake in its mandate. The Canadian public then elected a majority of Liberal MPs to govern Canada. That same electorate expected this new Liberal government to follow through on the stated commitments as outlined during the election campaign and put into writing in the book "Creating Opportunity", which is frequently talked about today as the red book.

The red book preamble on this subject matter began with the words:

—the pension regime of members of Parliament has been the focus of considerable controversy. It is now the subject of an independent review which Liberals support. We believe that reform is necessary.

The independent review cited in the red book is the "Study of Parliamentarians' Compensation" carried out by the pension consulting firm of Sobeco, Ernst & Young. This report was delivered to the current government in March 1994 with specific recommendations on compensation issues for senators and MPs that went beyond just the pension plan.

In addition to talking about that report the red book went further. It said:

Whatever the results of the independent review, a Liberal government will reform the pension plan of members of Parliament to end "double dipping".

(1020)

It was saying, in effect, that MPs should not be able to leave office and receive a pension from the federal government if they accept a new full time paying job from the federal government. It goes on to say: "In addition we will review the question of the minimum age at which pensions will begin to be paid".

The announcement of the government's intention to reform the pension plan, which I made previously in the House, and the legislation which is currently before us, Bill C-85, will implement the specific red book commitments made by the Liberal Party during the election campaign of 1993, and in fact goes further in this legislation.

Having given that background, I would like to take the House through a few chronological events which have happened since the election of October 5, 1993, leading up to the bill we are debating today.

The first notable event is the consultations and the eventual report prepared by Sobeco, Ernst and Young. The consultations which they carried out focused on four groups: present MPs, senators, newly retired or defeated MPs from the last House and longstanding retired parliamentarians. Focus groups were held and a great deal of information came to light on the particular role of parliamentarians and how the compensation issues addressed their roles.

Government Orders

I will not go on at length about the methodology or all of the specific findings of the report. I would urge members to read the report if they have not had the opportunity to do so already. It has been made available to all members of the House. However, I would like to acknowledge the members who participated in the consultative process. It is very important to have information about the impact of the compensation and the pension plan to help to determine what is the best course of action to take, in addition to those commitments which the government made during the election campaign.

[Translation]

There were not only government members and senators but also members of the opposition parties.

[English]

In March of last year I had the opportunity to table the report in Parliament. Each member of Parliament was provided with a copy. The focus of the report was to rearrange the compensation elements for senators and MPs to more adequately reflect their roles as legislators, public policy makers, public advocates and representatives of Canadians.

The Sobeco study came forward with concrete recommendations to decrease the amount paid out in pension to former parliamentarians who qualified for such a pension, but simultaneously it recommended an increase in the salary for members of Parliament; to go up on the salary and come down on the pension provisions.

Private sector, provincial legislature and international pension plans were used for comparative analyses. The consultants did not just consult with members, they looked at what was happening in other locations and in the private sector as well. The specific results of these comparisons are detailed extremely well in the study.

The report suggested tying changes in the salary component with pension plan changes. This recommendation, however, was received by the government just one month after the budget of February 1994. In that budget the government imposed a salary freeze on parliamentarians until 1997, in accordance with what we were already doing with respect to the public service. We have to get the deficit and the debt under control. We had to provide for that freeze because we could not afford to pay members of Parliament or members of the public service any more in compensation. It is in that light the report came forward. The government would not wait to change the pension plan for sunnier days. We cannot provide for an increase in wages at this time but we need to provide the changes we had promised in the pension plan.

(1025)

The Sobeco Ernst & Young study had said that the compensation level should remain the same. In fact the overall compensation level when compared to the private sector was not near the top at all. If we cannot increase the salaries, which we cannot do, the question is how much do we go on the other side of the equation in terms of decreasing the pension plan? That has been one of the key considerations that we have had to take in this whole process.

As I said a moment ago, we cannot wait for the day when we can deal with salary increases as suggested. We cannot afford them at the moment. While the total compensation approach outlined in the study is worthy of further discussion, it is not functionally possible at this time. However the pension recommendations are being acted on, which is what Bill C-85 is all about.

The other ingredient in reporting on the question of compensation comes from the Lapointe commission, a parliamentary commission mandated by the Parliament of Canada Act to review the adequacy of compensation for senators and MPs. The commission was chaired by the Hon. Charles Lapointe, a respected former federal cabinet minister. The commissioners who sat with Mr. Lapointe included Jean Pigott, a former member of the House and Professor C.E.S. Franks from Queen's University, a noted academic expert on parliamentary affairs.

The Lapointe commission held hearings and I understand a number of members of the House testified before that commission. The commission reported in July 1994, and again all members received copies of the findings.

The particular recommendation of interest today that was brought forward by the commission, while not totally mirroring the Sobeco consulting report, nevertheless was quite similar. The total compensation approach was again suggested with an increase in salary and a decrease in pension benefits but overall keeping the compensation level the same.

Although I am summarizing the general scope of the consultation process and not going into the finer details of the recommendations put forward to the government, I would like to again thank the commissioners for their input to this important public debate.

The last event in this chronological review is the formulation of the government's recommendations that culminate in this amendment to the Members of Parliament Retiring Allowances Act.

On February 22 of this year I publicly announced the government's position and this has been further elaborated on in Bill C-85. The Members of Parliament Retiring Allowances Act was first introduced in 1952 to provide pension coverage for members of the House of Commons. Senators' benefits were added in 1965. While there have been several amendments since that

Government Orders

time, the most recent were in 1992 when the act was brought into compliance with the provisions of the Income Tax Act.

I move now to the question of minimum age. The legislation prior to Bill C-85 provides pension benefits for senators and MPs after serving six years in Parliament. A member can start drawing the pension immediately on leaving Parliament, regardless of age. This is the first amendment that I would like to address.

The Government of Canada will follow through on its red book commitment to review the minimum age at which members can receive a pension by establishing age 55 as the minimum for service earned under the newly amended act. This amendment is found in clause 11 of the bill. The public, the media and members of the House have sought a minimum age for receipt of a parliamentary pension that better reflects what is available in the private sector. Private sector and public service pensions vary in their minimum age requirements. Many include a combination of age and service provisions, while many more establish a stand alone age.

The government has put forward its amendment to establish age 55 based on a number of factors. The first is the adoption of the Lapointe commission report. That report also recommended age 55.

(1030)

Second, the government has acknowledged the relatively short length of service for parliamentarians which primarily affected the decision to implement a stand alone age and not an age and service contribution. Most people who serve in this House do not serve long enough to collect a pension at all. Obviously the stand alone age made more sense in that regard.

Finally, the government has attempted to put forward a system that is transparent and fair establishing a clearly defined benchmark leaving no possibility of confusion from the very calculations inherent in age and service combinations. We are saying quite simply it is age 55.

The publicity that has been brought to the minimum age issue can perhaps best be characterized by a few celebrated cases of former members retiring or having been defeated from Parliament and receiving a pension when they were in their thirties or forties. While these ages are extremely early and do not provide retirement funds but an alternate source of income originally designed to assist in the transition of MPs from public life to the private sector, it is important to note that an overwhelming majority of parliamentary pensioners are presently over age 55, as high in fact as 87 per cent.

When we hear about MPs receiving pensions in their thirties and forties, it is really the exception and not the general rule. Nevertheless, it is an issue that this government said it would address and is addressing. Not all former senators and MPs

leave Parliament with excessive pensions at young ages. Almost half, as I indicated before, do not even get a pension at all.

Let me address the matter of double dipping because the second amendment, the one which is found in clause 20, deals with the implementation of a restriction on double dipping for retired senators and MPs. The present pension plan does not provide a mechanism that reduces or eliminates salary or pension when a member receives income from two federal sources.

For the purpose of this debate it would be extremely useful to put forward a definition of double dipping. Bill C-85 provides a very necessary legal definition of course, but I would like to put forward my interpretation of double dipping as it relates to this Parliament.

Double dipping occurs when a former member of this House or the Senate of Canada is in receipt of a pension under this act and enters into employment, appointment or a personal service contract within the federal public sector earning remuneration from those activities in excess of \$5,000 annually. With this definition I would hope that the jurisdictional lines as they relate to double dipping are clear.

With that said, I would put to the House that this government will put a stop to the practice that is unacceptable to many Canadians. The pensions of former MPs and senators who have left public office and secured paid employment within the federal government's jurisdiction will be reduced dollar for dollar. A \$5,000 threshold will be established to avoid penalizing part time income earners.

The varied definitions of double dipping that have been put forward in public debate over the pension plan is staggering. Provincial legislators, public servants, military personnel and even private sector pensioners have been thrown into the mix at different times. Some of them sit on the benches of the third party so I think they would want to be a little quieter during this discussion.

That is not part of what this mandate was in terms of Bill C-85. Bill C-85 deals with the question of members of Parliament who go out from here and get another job in the federal public service. That is what we said in the election campaign we would end and that is what we are ending.

I would also like to highlight the leadership the Prime Minister has demonstrated in ensuring that governor in council appointments made prior to this legislation coming into force would be affected. The legislation on double dipping comes into effect when royal assent is given to this bill, hopefully sometime within the next few weeks or months. However, there have been numerous appointments that have been made going back to the beginning of this government when elected on October 25, 1993. In this case the Prime Minister has asked appointees who have served in Parliament, former MPs or senators, and are currently

Government Orders

receiving a pension to return those benefits to the crown or reduce their salaries by the amount of pension received.

(1035)

There are a number of examples that have been raised in public debate. It is for resolving those instances of double dipping that I would like to commend and thank the Prime Minister. Even though this bill is not yet in effect, he has ensured that it is in effect in terms that nobody appointed to a position who collects from the federal purse in the term of this government also collects a pension. He has specifically ended that kind of double dipping, going back to the beginning of this term.

An example of the application of the proposed double dipping amendment would be that when a former MP in receipt of a parliamentary pension of for example, \$40,000 and who is appointed to a government post which might have a salary of \$75,000, the former MP would lose all entitlement to a pension while employed by the Government of Canada. A pension of \$40,000 would be reduced dollar for dollar by the amount of the salary. In this case, using those numbers, it would leave a zero balance in terms of pension while that person was collecting elsewhere on the public payroll.

It is important to realize that a \$1 per year adviser to the government should quite obviously not lose any pension benefits during service to the crown. That is the reason for this \$5,000 threshold, to exclude those who are earning very nominal sums or very small part time remuneration.

Members of the House may not believe that legislation could be debated that prevents the \$1 per year adviser from collecting a pension. Nobody would dispute that. However, I point out to all members that private members' Bill C-208 last spring would have done just that. In fact, there is a second private members' bill currently before the House that would have the same effect, preventing a \$1 per year adviser to the government from collecting an earned pension, not just while employed but forever thereafter. I think we are dealing with it in a fair and reasonable manner.

A final point on the double dipping issue is that former MPs and senators who are currently appointed to a position in the federal public sector and are then reappointed after the day on which our bill receives royal assent will be subject to the double dipping provision. The Prime Minister has received from them compliance on a voluntary basis, but after royal assent if a reappointment comes up they would be subject to the provisions of the bill.

Let me deal with the question of savings. We are also cutting benefits that are available to retiring members. The red book speaks of double dipping and minimum age.

It is quite obvious in those letters and petitions from the Canadian public and pension plan members that they want more reform. The Liberal government acted on the need for reform and has now put forward additional amendments in Bill C-85 that will have the effect of going even further.

The costs of the pension plan have been significantly decreased, by 33 per cent. That is direct savings to the Canadian taxpayer of some \$3.3 million from a \$10 million pension contribution. These savings are generated in two ways.

First is the establishment of a minimum age which will result in fewer former members collecting a pension at an early age. The most important element in the savings equation is the 20 per cent reduction in the benefit MPs will earn on future service. This is the accrual rate reduction, as hon. members will know.

Speaking of the accrual rate, the current pension plan provides benefits for MPs based on the best six years of salary with a benefit rate or accrual rate of 5 per cent. That is 5 per cent of an MPs average sessional indemnity, as we call it, per year of service.

This accrual rate is to be reduced by Bill C-85. Clause 9 of the bill will reduce the present 5 per cent accrual rate to 4 per cent, a 20 per cent cut in benefits for MPs. It will be this 20 per cent cut that will provide the lion's share of the savings to the government and to Canadian taxpayers, which as I said a moment ago totals 33 per cent savings.

(1040)

Senators' pensions will not be affected and will remain at current levels because senators receive 3 per cent. They are already at a lower level of their average sessional indemnity per year of service.

The accrual rate of 5 per cent for every year of service for MPs at present provides for a maximum contribution of 15 years. Not too many are here for 15 years, but if a member gets to 15 years, he or she can get to the 75 per cent pension level. If an MP serves for eight years in Parliament, his or her pension would be calculated as eight years times the 5 per cent accrual rate, equalling a pension of 40 per cent of salary.

The amendment act will continue to provide for a ceiling, which as I say not too many will achieve, of 75 per cent. A new member under these rules would need to contribute to the pension plan for 19 years in order to realize a similar benefit as that of the present plan.

Members may wish to note that the accrual rate reduction applies to future service only, that is, service after the date when the act receives royal assent. What members of the House or former members of the House have accrued up to the date of royal assent, and the rate at which they have accrued it, is an entitlement which they have and will continue to have. That is

Government Orders

the way pension plans operate throughout the country. It is part of the normal pension regime.

Let me deal with the question of tax treatment. Tax treatment of the overall pension plan is an integral element of the funding mix and thus is a significant contribution to the actual cost of the plan. The Income Tax Act prescribes a tax benefit for registered plans which does not exceed a 2 per cent accrual rate. This would be the amount which opposition members speak of when they talk of the legal limits of the pension plan. However, I would like to clarify for the House at this point that the Members of Parliament Retiring Allowances Act complies with the Income Tax Act. I particularly want the members of the third party to note that. That is a fact which some members have disputed and even raised in members statements or in question period.

The act was amended in 1992 when the government of the day brought the plan into compliance with the Income Tax Act and provided that all benefits would be fully funded. It did so by dividing the plan into two parts: a registered pension plan containing those provisions which fall within the limits allowed under a registered pension plan or a plan registered under the Income Tax Act; and a retirement compensation arrangement, an RCA, which contains those elements in excess of the Income Tax Act. That is a common element, a common vehicle, for dealing with pension plans in the private sector as well.

Part I of the act contains the registered pension plan portion and part II contains the retirement compensation arrangement. I would stress that both of these parts meet the requirements of the Income Tax Act. Amendments in this bill primarily affect parts I and II of the act.

Contributions to the pension plan are made by members currently at the rate of 11 per cent of his or her annual salary which is much more than is generally the case in the private sector. For senators it is 7 per cent of their annual salary.

The contribution rate will be reduced to 9 per cent to reflect the decrease in the accrual rate. This reduction is found in clause 7 of the bill. Senators contribute 7 per cent of their annual salary, receive a 3 per cent accrual rate, and that will not change. The 9 per cent contribution rate for MPs, however, is more in line with the new 4 per cent accrual rate.

[*Translation*]

The media and some members of the opposition asserted that this would increase compensation for parliamentarians.

[*English*]

In fact the total compensation for members will decrease with amendments to this act. The claim that members will receive a salary increase of 2 per cent is simply not true. MPs will have 2

per cent more disposable income but they will also have more that is subject to tax as a result of that. There is no increase in the compensation level. Again, the compensation level for MPs is going down.

As I mentioned earlier, the 1994 budget imposed a salary freeze on MPs, who incidentally have not had an increase for some six years. The pension benefits are being cut by 20 per cent. There is simply no way a salary increase could be extrapolated from what is quite clearly a cut in compensation to MPs.

(1045)

I should like to deal with a matter that I know is of particular interest to some of my colleagues beyond here. That is optional participation. The member for Beaver River will be extremely interested.

Miss Grey: And the class of '88 too.

Mr. Eggleton: Yes, they all have the same option as the member has.

Within days of beginning the current legislative session of the 35th Parliament, a question was put to the Prime Minister in daily question period about allowing MPs to decide for themselves if they wished to continue to participate in their pension plan.

This is not something normally done, I might add, in the private sector or other public sector plans. Canadians are encouraged by the government and by organizations and companies throughout the country to provide for their retirement allowance, to provide for themselves when they are no longer part of the workforce. It makes sense to save to do that. We should be encouraging people to do so.

The Prime Minister rose on January 21 and committed to the House that members of Parliament would have a choice. Pension plans in Canada are supported through the income tax system to provide employer sponsored retirement funding for Canadians. The Government of Canada is no different from other employers. Pension plans are provided for public servants, military personnel, RCMP and parliamentarians.

The government believes in retirement benefits for its employees, pure and simple. However certain MPs have made a case that they can better provide for their retirement needs and those of their families, or they think they can.

I should like to say something about that in terms of families. During the consultation period prior to the introduction of the legislation I was told numerous stories by present and former members who originally entered politics at a young age. Many of them were single at the time. They married during their political careers. They began families. Their retirement needs changed. They were vastly different with families from what they were when they first started out as single individuals.

Government Orders

It is important to note in this context that the optional participation decision all MPs will make should not be taken lightly. Most certainly consideration of families should be included in the decision with respect to optional participation.

Clause 2 allows members who choose to leave themselves or their families without pension benefits once the changes to these pension arrangements receive royal assent 60 days to decide whether they want to opt into the plan. It is a major change that is being made in the plan. The Prime Minister has given the opportunity to members of the House.

Members who have six or more years of service and who choose not to continue contributing to the pension plan will have their contributions returned to the beginning of this Parliament.

The member for Beaver River may want to hear this point.

Miss Grey: You bet I do.

Mr. Eggleton: It pertains to her specifically. Members with less than six years will have their contributions returned. The government will allow these members a one-time only opportunity to withdraw their participation in the pension plan. It is something that is not normally done. We have to provide for our own retirement allowance and that is what the plan is all about.

For those who choose not to participate, the government will return their contributions with interest calculated in the same manner as for any other withdrawal allowance under the statute.

Members cannot later decide to join the pension plan if they serve continuously as a member of the House or if appointed to the Senate without a break in service. Members who after a break in service later re-enter the pension plan will not be permitted the option of buying back service from this Parliament should they exercise their option not to participate during this Parliament.

In terms of another provision of the plan may I finally mention with respect to common law spouses that in clause 4 of the bill they will be recognized for survivor benefit purposes as they are under federal pension plans for public service employees. It will provide common law spouses with necessary protection that other Canadian pension plan members enjoy. As well, the bill provides that a survivor pension can be apportioned between a legal spouse and a common law spouse. Where a member is survived by both a common law and legal spouse the bill provides for the survivor benefit to be apportioned between the two claimants if the common law spouse lived with the member while the pension was being earned.

(1050)

In conclusion I highlight the net result of the changes. Not only have we as a government lived up to our campaign promises, the ones clearly defined in the red book dealing with a minimum age of 55 and prevention of double dipping for former members who get appointments in the federal service, but we have gone beyond that in the spirit of the need for cutting government spending to get the deficit and debt under control.

We have made changes in Bill C-85 to the pension plan that will save taxpayers significantly; they will cut costs to taxpayers by some 33 per cent. Overall the Government of Canada has lived up to its promises on pension reform.

[*Translation*]

Mr. Louis Plamondon (Richelieu, BQ): Madam Speaker, I welcome this opportunity to say a few words on this government bill which Quebecers and Canadians have been waiting for. At the same time, the public perception of the pension plan is sometimes erroneous. Naturally, the most visible irritants often make the whole pension system look like it gives greater benefits to parliamentarians than to those in similar fields of activity.

I think that this bill introduced by the government constitutes a fine effort and a step forward. Changes were needed. While we have questions about certain provisions, such as those regarding spouses' pensions and double dipping, that is, being paid a retirement allowance and a salary at the same time, we regard this bill as a step forward in that it remedies the two main irritants for the public, particularly the one concerning minimum pensionable age.

Let us start by stating a basic fact: every working person is entitled to a pension. Everyone wants to make sure they enjoy some degree of financial security after having reached fifty or sixty years of age. Most companies, corporations and others, have set up retirement income security systems in conjunction with their employees. Non unionized workers or people working for large companies have built themselves retirement funds with RRSPs, thanks to the privileges governments grant to those who make the effort of investing in RRSPs to build retirement funds.

So, the principle of receiving pension benefits must not be challenged, and the government did not do so in its bill. We recognize that we are entitled to benefits, however, they must be comparable to those provided not only in other walks of life, in both the private and the public sector, but also in what I would call the political sector, in other governments, in other countries and in Canada, at the provincial level for instance.

Our pension program must provide no more or less to members of Parliament, but must be a reflection of the economic reality of Quebec and Canada. In that sense, as I said earlier, the

Government Orders

bill before us today remedies two major irritants in our plan, one being retirement age. We must realize, however, that this concern about retirement age is new, and stems from the realization that it is possible for individuals as young as 40 or 43 years old to retire.

(1055)

Traditionally, politicians were much older and, generally speaking, remained in office much longer.

Consequently, when the Members of Parliament Retiring Act was originally passed, the legislator did not think about setting a minimum age to be eligible for a pension, since most retiring MPs were already over 55, or had only served one term and were not eligible for a pension. The problem simply did not exist.

Elections nowadays are often characterized by a major turn-around, which results in large numbers of MPs losing their seats. For example, in 1984, the Conservatives won 211 seats, which means that several Liberal members left the House of Commons at a much younger age than the average for the previous 15 years, when we had minority governments that would change every two or three years. Indeed, throughout that period, a Liberal minority government was almost always in office, which means that the same members of the various parties were re-elected repeatedly.

Western provinces were always represented by large numbers of Conservatives and New Democrats, while the number of Liberal members from Quebec remained fairly stable, along with a contingent from Ontario and also some from eastern Canada. Consequently, even though minority governments were in office, the members remained essentially the same over a 15 year period. By the time they left office, most of these members had reached the age of 55, 58 or 60. Consequently, the issue of early retirement was not raised by the public or the House, since it only concerned a very small minority.

As I said earlier, because of the Conservative waves of 1984 and 1988, and because of a new phenomenon in 1993, namely the creation of a new party, the Bloc Quebecois, which replaced the Liberals in Quebec, as well as another one, the Reform Party, which ousted the New Democrats in western Canada as well as many old Conservative members who used to get re-elected all the time, for example in Alberta, there is now a fairly large number of MPs leaving office who are entitled to pensions. The example most often heard is that of former minister Perrin Beatty who, at 43 or 45, is entitled to a pension as a former minister, even though he is at an age where he can still make a living by using his skills and knowledge. That example is given as being representative of the situation of most MPs, but it is not.

We should take a close look at the findings of the last three reports. Each time a federal election is held, the MPs' pay plan

and pension plan are reviewed, along with an assessment of their work as members or chairpersons of committees, and any other additional duties which they may have as whip, House leader, etc.

If we take the report prepared by the Balcer-McIsaac commission in 1980, it says there was no need to tinker with MPs pensions since there were no cases of younger members who ended up with pensions.

If we look at the report produced by the Hon. Gerry St. Germain and the Hon. Francis Fox, it says that after considering every aspect of the question, the commissioners felt that present retirement allowances were adequate. Here again, age was not an issue. The last report, produced by a committee chaired by the Hon. Charles Lapointe, which included two commissioners, Mrs. Pigott and Mr. Frank, made the first reference to age provisions, because there was reason to do so. The report suggested a minimum age of 55 but did not elaborate on its significance.

(1100)

If we look at a table, we can see the percentage of individuals who receive a pension at a specific age. For instance, we see that under 40, three-tenths of one per cent of members have a pension. Under 45, one-tenth of one per cent. Altogether, 434 in the entire history of Canada. There are not thousands, as people seem to think. Only one-tenth of one per cent. Under 50, we see 5 per cent. Under 55, 7 per cent. This means that those who are already receiving pension allowances and are 55 and over represent 77 per cent of all pensioners. Over 60, 77 per cent. Add to that those over 55, which is 8 per cent, which means 85 per cent of those receiving a pension today are over 55.

Contrary to the public's perception that parliamentarians get their pensions at a tender age, those under 50 account for less than 5 per cent and those under 45 for only one-tenth of 1 per cent of the total number.

As we set our criteria, bearing in mind our democratic principles and the current state of our finances, we should also consider certain documents, in this latest report, which refer to a study of the allowances of members of Parliament, conducted by the commissioners mentioned earlier.

Let us first look at the picture in terms of salaries. The public often thinks that members' salaries are overinflated. However, if we compare Canada with other countries in the world, such as Australia, France, Germany, New Zealand, Japan, Sweden, the United Kingdom and the United States, we find Canada ranks seventh of the nine countries in salary terms. Six countries in this list therefore pay better salaries, including Japan, for example, which pays \$196,000 a year for 43 sitting days. In Canada, the figure is \$64,000 for 148 sitting days; in Germany, it is \$102,000 for 66 days; and, in Australia, it is \$65,000 for 53

Government Orders

days. That is surprising. In Sweden, the salary is only \$36,000, and, in the United States, it is \$169,000 for 144 days.

Therefore, if we place Canada among the nine countries I have just listed, we realize that it is seventh in terms of salaries paid to members. In other words, it is well behind a number of countries including France, Germany, Japan, the United States and Australia. Also, in terms of pay per day, Canada is sixth among the nine on the basis of the number of sitting days.

That is to say that the salaries of members of Parliament in Canada are far from the most generous in the world. Secondly, if we compare the salary of federal members of Parliament with their provincial counterparts, we find, as with Quebec, for example, that they are the same, give or take a few thousand dollars.

This fact must be taken into account in establishing a pension plan. Another fact that must be taken into consideration is that the people who sit here have to give up their businesses or other duties—this has been my own experience. In teaching, for example, I was earning \$46,000 a year. In 1984, when I was elected, I earned \$52,000 or \$54,000 a year—not a huge difference really. But I had to give up the businesses I owned and hire additional staff in order to be able to do my work properly. You know when you are elected as a member of Parliament that the job is temporary.

(1105)

That is why we should be entitled to a pension for the period of time that we put our businesses or other careers on hold, for, had we not made this choice, we would have continued to accumulate retirement income for until we hit the age of 55, 57 or 60.

It is only fair that our salaries be comparable to what MPs receive in other countries and that our pensions compare to those that public officials and MPs from other provinces and other countries receive.

Having said this, there were some rough spots, but this bill smooths them out. For example, it would change the minimum age, although this would affect only five per cent of MPs currently collecting a pension. I base my statements regarding pensions on the report of the Commission to Review Allowances of Members of Parliament, chaired by the hon. Charles Lapointe, called *Democratic Ideals and Financial Realities: Paying Representatives in the Twenty-First Century*. The report says that, in 1984, 131 MPs were defeated or chose not to run again.

Of that number, 56 per cent did not qualify for a pension; 44 per cent did. In 1988, 46 per cent of the 115 MPs who were defeated or chose not to run again qualified for a pension. In 1993, 67 per cent of the MPs who were defeated or chose not to run were not eligible for a pension. Therefore, out of the 445 MPs who left office in the last three elections, 58 per cent or 260

did not qualify for a pension. However, we must look at this system from all angles: some 185 received pensions.

Now, let us look at the amounts involved for all MPs. The popular belief is that all members can count on the allowance of a minister or Prime Minister upon retiring, when the fact is that there are only a few ministers and one Prime Minister. The rest of us ordinary members of Parliament, commonly referred to as backbenchers in both official languages, get a much more modest allowance based on our years of service.

For example, 12 per cent of members receive less than \$10,000 per year in allowances; 17 per cent get less than \$20,000; and 27 per cent, less than \$30,000. In total, 75 per cent of former members receive under \$40,000. These are interesting figures.

If you add up those receiving less than \$30,000 in allowances, that is to say 27, plus 17, plus 12, you realize that 56 per cent of former members receive a pension of less than \$30,000.

It is also the same with the age factor. As I said earlier, only three tenths of one per cent members who receive allowances start doing so under the age of 40, like Mrs. Carole Jacques, a former Conservative member, Mr. Champagne, the former Conservative member for Champlain, and a few Liberal members as well.

This needed to be changed and the correction was made. In addition, although allowances are not as generous as they seem to be when you take a good look at them, the government not only removed two irritants having to do with retirement age and double dipping—the fact of holding a wage-earning position while in receipt of a pension—, but also reduced by 20 per cent its contribution to the pension fund. In addition, members have to hold office longer to get the 75 per cent maximum. A member elected this year would have to sit in this place for 20 years instead of 15 to qualify for the maximum retirement allowance. This is something that we will have to take into account when voting on this bill.

(1110)

This bill settles the matters of age, double dipping and contribution rates. These rates, which might have appeared generous but were comparable, will be reduced because of the economic situation. I would also like to look at what is being done in other countries, for example with regard to contributions.

Let us say right off the bat that Canada's contribution rate of 11 per cent ranked among the top rates in the world. By reducing this rate to 9 per cent, we bring it in line with rates in other countries. Let me remind you that the Australian rate is 11.5 per cent and that many other countries have rates of around 9 per cent. We are therefore normalizing the situation and making it more equitable for members of the House of Commons.

Government Orders

Let us now compare the situation in Canada with that in the provinces, because the provinces also have pension plans. For example, in Newfoundland, which is a small province, all one needs to qualify for pension rates of up to 75 per cent is to have run in two elections and to have five years of service. Members need six years of service at the federal level, compared to five years in Newfoundland. As for the minimum age, the member's age plus the number of years of service must equal 60. This means that a 55-year old member of the Newfoundland legislature with five years of service would be entitled to a pension. A 50-year old member with 10 years of service would qualify for a pension in Newfoundland but not at the federal level.

That is an interesting comparison. Given the small size and population of Prince Edward Island, which has as many people as my riding but 32 members in its provincial legislature, four members of Parliament, and a house for the Lieutenant Governor, one can understand why there is no pension for the 32 members of the provincial legislature. The minimum pensionable age for members of the Nova Scotia legislature is 50, but it will be 55 for members of Parliament. To qualify for a pension, all a member needs is to have run in two elections and to have five years of service.

Let us look at New Brunswick. There is no minimum age. Members only need 10 sessions under their belts.

An hon. member: That, too, should be changed.

Mr. Plamondon: It may have to be changed but, for the time being, this bill is a step forward. I hope that the other provinces will also take this step. A different reality may force us to take other measures. The situation facing pensioners today has changed from what it was 15 years ago. Adjustments are being made.

Take Quebec, where the rule is age plus years of service, with a minimum age of 50. The same principle is applied in Ontario: age plus years of service, with a minimum age of 55. Our situation is similar to that of the provinces, which often offer more generous plans. Manitoba abolished its plan but replaced it with a collective RRSP which will be able to offer more or less the same terms. I believe the hon. member for Hull—Aylmer, just next door, did a comparative study on the subject which showed that after 12 years, a collective RRSP was more attractive than our own system.

In Saskatchewan, the minimum age is again 55. In British Columbia, the minimum age is 55 and the rule is age plus a number of years of service. The minimum age is 55 in the Yukon and the Northwest Territories, and to be eligible for a pension, members must sit a minimum of seven years in British Columbia, six in the Yukon and six in the Northwest Territories. In other words, our system is very similar to those in the rest of the provinces and, in some cases, is less attractive. It is also very similar to what is offered in other western countries, and I am

referring to so-called modern countries, countries with a decent per capita income.

I must admit that the bill also takes into account the current situation and what the taxpayer can afford. Contributions will be cut by 20 per cent. There will be a cut of \$3.5 million out of a total \$10 million, which means a correction of 33 per cent. However, certain irritants remain in the bill, and I will probably suggest a number of amendments when the bill goes to committee after second reading.

(1115)

I wonder, for instance, about the decision to reject double dipping. Everyone seems to agree that when you take a former minister—again, the example of Perrin Beatty—and you appoint him president of the CBC, he should not get both his salary from the CBC and his \$40,000 to \$45,000 pension as a former minister. I think that is pretty obvious, and I want to commend Mr. Beatty for voluntarily giving up his pension before accepting his position at CBC.

I also want to commend Mr. Broadbent who, when his term was renewed not long ago, also gave up his pension for another five years although he was under no obligation to do so, thus complying with the government's intentions and public opinion.

However, we may have a situation where a member who has a political career in Ottawa is penalized when he obtains another position, compared to a former member of one of the provincial legislatures. Senator Prud'homme, for instance. He sat in the House of Commons, he wanted to sit in the Senate and they have to subtract his pension from his salary. Mr. Gauthier sat in the House of Commons. He is now sitting in the Senate, and his member's pension is subtracted from his salary.

However, Mrs. Bacon, a former member of the Quebec legislature who has a minister's pension, receives both her senator's salary and her minister's pension of \$40,000 or \$45,000.

Take the case of Senator Simard. Since I do not want to play favourites, I will take a Conservative senator as an example. The last two are Conservatives, but Mr. Prud'homme is a former Liberal. Senator Simard has been in the Senate for 10 years or so and receives a pension of about \$40,000 as a former minister of New Brunswick. He does not have to subtract it from his salary.

Of course, since we are in a federal jurisdiction our legislation can only cover the federal level. I am delving into, as will the committee, the issues of concern to us. That is why I am not tabling the amendment on whether the following recommendation would be legal: that, when the Prime Minister calls someone in the future to offer him or her a seat in the Senate, the Prime Minister stipulate "I am offering you the seat on condition that you fax me a letter giving your commitment not to collect your pension as a former provincial MP, so that you are at par with the federal MPs". Then, if ever the person is appointed

Government Orders

to the Senate, that person's entitlements would not be any more or less than those of the other senators.

Therefore, that is another underlying problem. I was also wondering about municipal careers. When you appoint someone like Jean Drapeau, the former mayor of Montreal, to the federal public service, he receives a generous pension from Montrealers. The Mayor of Vancouver, with his experience dealing with Asian countries, would also be a potential candidate for the federal public service. He would not have to subtract his municipal pension from his salary. Of course, we are talking about different jurisdictions, but I am pondering the issue anyway.

I am giving the government and the minister the leisure to reflect on this issue and, meanwhile, I will submit it to the committee. It seems to me that this is hypocritical. On the other hand, we must also take into consideration the fact that someone drawing a good pension from Eatons, for example, after working there all of his career, who is appointed to the Senate subsequently would not have a problem. But if his career had been with the provincial government, he would.

It must also be said that the double dipping we are trying to abolish, to which we all agree in principle, penalizes people who, after a career in the federal public service, may entertain appointments as ambassadors or members of a task force on political party funding, for example. This was the case with the Lortie Commission to which former MPs were appointed and with the commission on pension reform. This duty to subtract pensions, this impediment, would make it easier to recruit people with parliamentary experience among former provincial MPs instead of federal MPs.

(1120)

I do not know how the bill could be amended, I have no proposals or amendments to make, but I do think there is food for thought here.

I would also point out that, in our consideration of this bill, we should remember that members' salaries have been frozen for three or four, if not five, years and will remain frozen until 1997. I will give you an example. I earn \$64,000. Eleven years ago, when I started here, I earned \$54,000. I have therefore had increases of less than \$1,000 a year, or less than \$20 a week since I began sitting in the House of Commons. In the years salaries were not frozen, all we got was the cost of living adjustment. When I talk of salary increases, I am including the cost of living adjustment.

Real efforts have been made in terms of salaries. Twice while I have been a member, my salary has been reduced by \$1,000 in budget speeches. MPs' salaries are similar to those of MLAs.

Earlier, I compared our pension benefits with those of MLAs. I could also have compared salaries. I did so with other countries.

We have seen that the situation of members of Parliament, members of legislative assemblies and western parliamentarians is comparable. Pensions, with the amendments that will be made today, will be comparable, with ours being even sometimes less compared to pension plans in the provinces or in other countries.

This bill is a realistic step forward. It resolves certain issues discrediting the role of members of Parliament. It used to be that we received our pensions at any age and that they were very substantial. It will no longer be the case. These issues, now resolved, used to discredit members of Parliament and often sent those who might be contemplating a career in this noble place running in the opposite direction. The credibility and public image of politicians with fat pensions tended to discourage people from going into politics.

I think that correcting these two irritants can help bring our pay and pension benefits in line with those in the public sector and with politicians' pay and pension benefits in other countries and in the provinces.

In closing, may I remind you that one way for the government to make further cuts may be to question the need for two Houses of Parliament. The other place, since that is how we must refer to it, costs \$50 to \$60 million. Instead of saving \$3 million by adjusting pensions, you would save 20 times as much by eliminating a house which, between us, is totally useless.

An hon. member: The Senate.

Mr. Plamondon: We are not supposed to utter the word "Senate" here in this House. We must say "the other place". My colleague referred to it by name but he is not supposed to. We know whom or what we are talking about. We have great respect for the people there, but we no longer see the need for the institution itself. We tend to think of it as a leftover from colonial days, as a big dormitory.

Incidentally, a great lady, Mrs. Chaput-Rolland, now retired, referred to the other place as a big dormitory in a book that she wrote. She even talked about "the hon. sleepyheads". I think that she went much too far. However, in this era of budget cuts and pension review, we should think about the need to maintain this refuge for the Prime Minister's political cronies.

(1125)

Nova Scotia, Quebec and the other provinces with senates abolished them. I feel the time has come to think about this and save taxpayers \$50 to \$60 million. We should also think about the need to maintain a house for the Lieutenant Governor in each of the provinces. Our Lieutenant Governor does not sleep in Prince Edward Island or in Quebec City very often. Most of the

time, he sleeps in a hotel and not in the house reserved for him. We should perhaps think about all these houses we have to maintain and turn them into profitable museums.

Perhaps we should also reconsider the relevance, especially for a government proclaiming from the rooftops its Canadianity and its pride in the Canadian flag, of maintaining at the top of the parliamentary hierarchy a representative of the Queen, a lieutenant-governor. That is another position that could be abolished. We could look into that too. There is \$10 million attached to this position. That is how much we could save today.

To conclude, I wonder also about another possible way we could save money. We have just adopted a bill on electoral boundaries increasing the number of members of Parliament from 295 to 301. This is a big problem. If we compare this place to the legislatures of other countries, we can see that there is something wrong with the Canadian system. Let us see how we shape up against our neighbours, the United States.

For a total population of 27 million, we have 295 MPs. With a population of 270 million, ten times ours, the Americans should have ten times more representatives than we do, or 2,950. Yet, there are only 495 representatives in the American Congress. I think we are the odd ones. Why not take the lead of France, England or the United States and bring the size of the House of Commons down, proportionally to population, to say a hundred or so members?

Considering what each member costs—we are talking about at least half a million dollars a year—in electricity, stationery, clerical support, this would mean savings of 200 times \$500,000, or \$100 million.

We should consider this if we really want to get back some of the credibility we lost in the eyes of the public and see our work in this place regain prestige.

[*English*]

Miss Deborah Grey (Beaver River, Ref.): Madam Speaker, I am glad to participate in this debate today.

I would like to say by way of introduction that the most pathetic thing I have heard today is not a government trying to defend this plan, which is still far too rich for the Canadian taxpayers' blood, still far too generous, but more pathetic than that is what I have heard from a Bloc member who is fully endorsing this plan, who says that it goes a long way and that it corrects certain irritants.

This is a group of people who want to opt into this pension plan when at the same time they are sitting here trying to opt out of the country. That is disgusting. They cannot defend that. It is indefensible in this Chamber. It is indefensible in any one of the

Government Orders

ridings this member would choose to travel to across the country. "Corrects certain irritants"—let me assure you, Madam Speaker, that the only irritant—

[*Translation*]

Mr. Plamondon: On a point of order, Madam Speaker.

I think that, if you had paid closer attention, you would have realized that my right to sit in this place is being questioned. I was elected democratically like every other member of Parliament.

[*English*]

Miss Grey: And democratically elected he was. Let us ask him to carry on in his democratically elected position sitting in the Parliament of Canada.

I talked about correcting certain irritants. The only irritant is with the Canadian public, who are paying the bills for this pension plan. I suspect this will not correct any irritant for them.

We have been trying to do some research during the last couple of days since this bill was brought in last Friday and introduced to the House for debate today. As I look at the figures, the numbers simply do not add up.

(1130)

I am going to mention this opt-out clause now and then I will mention it several times again. I am going to keep mentioning it across this country every chance I get to speak. There is an opportunity for the class of '88 and anyone who was elected after them, such as myself and my colleagues, to opt out or not to opt in. We will look at some of the optics of that later. My friend from St. Boniface, for instance, and all the rest of them who were elected in 1988 have the option to opt out. I will be referring to that later and issuing some challenges to them.

Bill C-85, an act to amend the Members of Parliament Retiring Allowances Act and to provide for the continuation of a certain provision for a pension for members of Parliament, is being debated. It certainly has been a long time coming. It was a promise in the red book, and I am pleased to see that the government is doing something about it. The Liberals are fulfilling their promise for age 55 and no double dipping allowed, but they do not go far enough to correct the irritant of the people who are paying for this pension plan. Of course that is the taxpayer.

I suspect there has been quite a battle in the government caucus about when they would bring this in. It was made clear to me by Treasury Board within the last couple of weeks when the minister's press secretary assured my office that we would have an opt-out clause for me, Deborah Grey, Beaver River, because I was obviously so concerned about this.

Government Orders

It looks as though they have gone perhaps one step further on that and allowed the whole class of '88 to opt out. I applaud that, and I will have my pen out to write down all those colleagues of mine who are going to opt out.

We have called for pension plan changes for a long time. The minister, in his remarks earlier, said that we had an opportunity to discuss this plan in the House of Commons earlier, as if that were some kind of noble gesture from the minister. In fact that was on November 22, when I, the member for Beaver River, introduced the motion on our opposition day to talk about the MP pension plan. So it was hardly some great initiative on the government side.

In fact I would love to quote reams out of *Hansard* of that day. People stood in their places, a lot of them from the class of '88 because that was the day after their trough day, when they qualified for the pension and their benefits had become vested. They stood in their places and said: "We do not make all that much money". Compared to the private sector, no. Sobeco Ernst & Young proved that in their report. "We have families and we have homes". Of course we do, and we have to take that into consideration.

It goes on: "I just bought a house and I have a mortgage, so I need a pension; I had to lose my job from before; I sacrificed a lot for public life". On and on the tirades went. Yet when I look at the things they had to say and when I look at how the Canadian public viewed that debate that day and then I stand and hear something like this today, it makes me pretty sad. It makes me pretty mad also, because this is unjustifiable. This plan is indefensible and we simply are not able to condone it.

We called for changes that would move the retirement age to regular retirement age, age 60 perhaps. It is not that we are against a pension. We have never made that assertion. We have never made the comment across the country that we are against pension plans for members of Parliament. It is not in our blue sheet of Reform policies anywhere. One would not find that Reform MPs are saying we do not want any pension. What we are saying is that we want a fair pension, brought more in line with the private sector, moved to regular retirement age. Let us make sure that we are not getting some sort of special treatment.

I talked yesterday on the lobbyists act about two-tier systems for lobbyists. I talked about the two-tier health system that exists in this country for Canadians from coast to coast as well as for regular public servants on the Hill compared to MPs on the Hill. There are two tiers on a lot of things.

I do not think that anyone in this House today can justify that we think we deserve a two-tier pension system. It simply will not fly in the public. I go around and speak to various people and I am sure government members do too. They hear from the same

Canadians I do. They travel around and hear from people and take heat on this.

I suspect that is one reason why the Treasury Board assistant said to me the other day and again today that the minister is trying to get this through by the summer recess so that it is all done, tucked away, and hopefully everyone will just forget about it and keep quiet.

The last government hoped that a lot of people would forget about a lot of things and keep quiet also. It simply does not happen. They did not forget about it. And we will never forget what happened to them in the last election. Perhaps it is a sign of things to come.

(1135)

We want a fair pension plan. But we are calling for a pension plan similar to that of any other person in the country who buys into a private pension plan. That is, the employer will contribute one dollar and the employee will contribute one dollar, dollar for dollar. When I was with the Alberta Teachers Association I put in x number of dollars a month, and the ATA put in x dollars a month to match it.

We have seen the numbers. They range from \$6 or \$7 to \$1, and now we are being told by Treasury Board that it is down to \$3.60 to \$1. Whatever it is, it is still obscenely rich. There is not another person in the country, except this insular group sitting in the green chamber and the folks on the other side of course, who are going to be able to say: "I gave up my life for public service. This was my sacrifice to the country." Well, if it is going to be a sacrifice to the country to serve in this place, then let us make it a sacrifice, so that we are not spending some obscene pension and living on it for the rest of our lives, and we will not feel guilty about the dollars we collect that other people have paid.

I hear from both sides of the House today, from the government and the official opposition, that it is okay because we have made some incredible sacrifice. I do not consider this to be a sacrifice.

I miss being at home, and I can hardly stand to leave my husband every week, but when I think about the opportunity we have to serve in the Parliament of Canada, it is remarkable. Surely we cannot whine and cry and go home to St. Boniface, Halifax, or Sherbrooke or wherever and say: "This was my sacrifice for the country, so I am going to collect a heap of cash. Sorry about that, folks, but this is what I did for you and the country, now this is what you are going to do for me". It will not fly. It is indefensible and unacceptable. So why not a fair pension plan? I do not know.

It would seem to me that the provision for virtually full protection against inflation is totally unchanged. Surely that is something that could be brought in. We do not see that in the legislation.

Many people do not know that at age 60 the present plan will be indexed to inflation back to whenever it was the person stood for a pension. I qualify right now at age 42. I would get

Government Orders

everything back indexed for inflation at age 60. That also is indefensible. Members across can try to convince me and the people who are paying the bills that it is defensible. I do not think we would see that anywhere, that any constituents across the country who will be putting an X somewhere at the next election are going to say it is justified. It is simply not going to work.

As I have pointed out before, it is something rarely found in the private sector. We are not going to find private pension plans like this. The husband of one of our members is an expert on mutual funds and RRSPs. He works in the insurance business. He would never stand publicly and say the private sector has the same plan as MPs, fully indexed back to age 42. That will never be seen. We all know it, especially the people who are paying the bills.

An hon. member: It is a double standard.

Miss Grey: There are also some people who would say that it is just one way of giving a raise to MPs while avoiding public scrutiny. A study that was done by Sobeco Ernst & Young talks about that. The minister went on at great length about how we are perhaps underpaid and overpensioned. Something has to be done with the whole package deal to bring it into line. This certainly is not going to address that.

Many people would say, and I agree with them, that the increase to MPs' pensions, pay, perks, and everything else should be debated by the public, the media, and in the House. In fact, if we are sitting around as a collective, insulated group of people asking what we are worth: "Charlie, what do you figure, how much are we worth?" We all talk about it and say we are wonderful, it is unanimous, and we are such and such. That is exactly the way it has been done for years in this place: "How much are we worth, folks? Okay, that is what we have."

There is an inside group determining the rules and regulations of MPs' pension plans: Well, we are worth this much pay. What do you think we are worth, folks, for our pension? Do you not think we should be looked after? The whole country knows that we certainly have sacrificed and we are hard done by. So what are we worth for our pension, \$6 to \$1, or \$4 to \$1, to use the government's new figures? Is that what we are worth? Yes, it is unanimous again. Are we not wonderful? There we go, we are in the cash. We are in the trough.

(1140)

Nowhere across the country would one find that.

Let us have an independent, arbitrary commission that will look at this and say that those people are worth x amount of dollars for their salary and x amount of dollars for their pension, and because we are paying the bills, we will determine what they are worth and what their pension plan will be. Let someone on the outside of the group who is an expert in this area determine it, rather than us sitting around in these hallowed halls saying we are worth a whole lot, so there we are, and my friend thought that

was a great idea; we are here and the government is looking after us. There is absolutely no logic at all to it.

This bill establishes the minimum age of 55, which is certainly a step in the right direction, I will give them that. At least they did not make it any amount, like it was before. The minimum age is 55 for benefit eligibility, which is still too young. And it only applies to a portion of some members' benefits. Many members of this House will still get pension payments as soon as they leave politics.

For example, my friend from Sherbrooke down the way was elected young and is still young. If he leaves tomorrow he would still cost taxpayers over \$40,000 a year. If he lived to the age of 75 he could cost the taxpayers \$3.5 million. There is no way one could go to a town hall meeting and justify that.

The Prime Minister certainly is older and has had a long and distinguished career in this House. We realize and recognize that. Under the old plan, he would collect \$90,000. Under the new plan, granted he will receive a little less. However, we are looking at a total of \$2.1 million. That is a lot of cash.

My friend from Halifax would collect \$19,491 under the old plan. If she lived to 75 years old she would collect \$1.1 million. I am a little younger than her by about three or four years. The work done by the National Citizens' Coalition on my pension was that if I were to retire now, at age 42, because my benefits were vested on March 13, and if I lived to age 75—and sometimes in this profession one wonders if they will make it that long—I stand to make, gain, profit by \$1.8 million. I will not use the word steal, because theft is something we do not approve of, but I think of other people out there paying the bills and being demanded to pay the bills by some select few here who think we are worth more than everybody else.

Because I am opting out of this plan I have been ridiculed and scorned, which I am used to in this House, by somebody who says "Oh, isn't she opportunistic?". That was said to me in question period just last week or a couple of weeks ago when I asked the question. They said: "That Reformer from Beaver River is such an opportunist".

Money talks, as Neil Diamond used to sing. If I lived to the age of 75 and was fully indexed way back at age 60, under the old plan I stood to gain \$1.8 million, which is pretty close to what my friend across the way would receive, give or take a few hundred thousand dollars, but what is that when we are talking those kinds of dollars?

Under this new plan, which is supposed to be so good and so effective in cutting down so much spending and so much of the taxpayers' dollars—and I hope they are getting angrier by the minute, because they are paying the shot for this—I will receive \$1.2 million. Does this seem like a justifiable savings? I would hardly think so. Yes, it will be less. Yes, the government talked about the fact that we would be saving taxpayers 30 per cent of their dollars. But when we look at the size of the pension they are

Government Orders

paying out, it is going from \$1.8 million down to \$1.27 million. That is what our calculation is.

(1145)

In this Parliament they are putting in \$3.6 to every \$1 that we are seeing but we still cannot justify that because of the \$1 for \$1 employer-employee contribution rate I talked about earlier which every other Canadian would enjoy if they had a private pension plan. I stand to gain \$1.2 million. There is no way people across the country will buy this, red book or no red book.

When there was a commitment to save taxpayers money, if we are saving them a little cash from \$1.8 million to \$1.27 million we could harp on the savings and make it sound absolutely terrific but at the same time we think they are paying way more than they would pay if we had a regular pension plan.

The income tax rules for a registered pension plan state benefits must be reduced by at least 3 per cent per year if collected prior to attaining the age of 60, or alternatively has 30 years of eligibility or attaining age and years of service totalling 80 years. Lots of pension plans across the country have that, as the minister stated, adding age plus years of service.

That point is consistent with the recommendations also made in the Sobeco Ernst & Young report but this rate at which benefits accrue has been lowered from 5 per cent to 4 per cent per year. When we look at that we say that is good. It is going in the right direction. I draw to people's attention who are paying the bills for this that the 20 per cent reduction from 5 per cent down to 4 per cent on the payout will only apply to members whose benefits do not straddle the existing and revised plans.

Most everyone in the House is a straddler. Many of them were elected in 1988 and so they are in the old pension plan but they also straddle the new pension plan. All of us in the House are in the position that we still have one foot in the old and one foot in the new because these changes are being brought about in the 35th Parliament.

For far too many Liberal members in the House the reduction in benefits will be significantly less than 20 per cent due to most of their benefits having been accumulated at the 5 per cent rate. Many of us have been in the House for several years now and so we are looking at the 5 per cent rate. If we are to say that after royal assent it will be down to 4 per cent, we have been paying in for years at that rate and the amount will be far less.

In addition, under either the existing or the revised plans the total contribution of members relative to total benefits received will not change significantly, as I mentioned with myself. A

member will contribute approximately 6.7 per cent relative to the total benefits received as they do under the existing plan.

I say let people know we are straddling something here. To me we have an option. I think of former Prime Minister John Turner who said he had no option. There are people across the way today who are still every bit as Liberal as Mr. Turner was and they cannot say what he said. They have an option. Whether it is opting out or opting in we will still discuss the semantics of that. It has been said to us that we have to opt out; in other words, we have to sign within 60 days if we say we do not want to take this pension plan. It has also been mentioned that we will have to opt in; in other words within those 60 days people who will say they will go on the regular MP pension, they will opt in.

I guess the semantics and the logistics of that are if I am to opt out I have to take my little trotters out of the trough and that is an active move for me to step away from the trough and say I do not want it, I cannot justify that back home, I will take my money elsewhere and I will invest it in the best way I can.

The flip side is if it is to opt in, and these are the semantics and the logistics of it, the people of the class of '88 have the option to opt out because the government did not put it in for the older ones. It says it cannot bring in retroactive legislation because it would be unfair. It brought in retroactive legislation, Bill C-22, on the Pearson airport deal and brought in retroactive legislation on the EH-101 helicopters. It amazes me that for some things it says "retroactive, no problem; it is a red book promise and we will do it". On something else that affects the wallet it cannot go retroactively.

In any event, here is the picture. I have to take my trotters out of the trough and step back and say I opt out. The class of '88 will have to get their pens ready and make a conscious decision to step into the trough on all fours. They say: "This is it. It is a sacrifice. This is my public service. Dear knows I have served the constituents of wherever long and hard and, don't you know, this is owed to me? This is my money". There is no way they will ever convince anyone in the country that is their money. It sounds like the ad on an Edmonton radio station that says: "I am talking about your money", as he gives financial advice.

(1150)

This is not our money. I do not know what it will take to convince the government and Bloc members that this is not our money to free-wheelingly spend. They have to crawl back into that trough, not out. There will be people who will remember that. They will have the vision in their minds of people saying: "Here is my letter. I am opting into the pension plan. I am really sorry but cabinet convinced me to do it. I had no option". We know what happens to people who say they have no option.

Government Orders

People will take the option. If they say someone had the option to opt out but copped out, they will make the decision on the next election.

The members of the 1988 class in Parliament will have to make the decision about whose money this is and what they will do with it. They either opt out or they will cop out, and there will be a price to pay.

They will be sanctimonious. They will say: "Look at the member for Beaver River. There goes Deb again. Does she not go on and on?" I am sure my friend who is sitting in the House today is taking notes and will have a wonderful time with this. However, I would feel far more comfortable going home to a town hall meeting in St. Lina, St. Paul, Bonnyville, Mallaig, Therien or wherever else and saying: "That was your money and I will not spend it", rather than going home to St. Boniface and saying: "That was your money but sorry, I will spend it".

The Acting Speaker (Mrs. Maheu): I ask the hon. member to please try to control the attacking and use normal parliamentary procedure.

Miss Grey: Madam Speaker, I stand to be corrected. We are talking about debate and I am sure that all of us need to be prepared to go into our places at home. If I said anything unparliamentary I ask your forgiveness and ask the Chair to straighten me out on that and chastise me. If I am debating I would like to continue debating.

The Acting Speaker (Mrs. Maheu): I have no intention of chastising the hon. member, but from the very beginning I have noticed that certain comments are bordering on what I would not accept as being of the integrity that we have been seeing in the House. I hope we would be a little more careful.

Miss Grey: Thank you, Madam Speaker. Let me continue by asking how the government gets around its own laws in paying these extravagant benefits. It uses the retirement compensation arrangement. People watching this do not have a clue. They know that hopefully we pay a lot of money in, \$600 a month, and we get a lot more money out. If that is attack, I do beg forgiveness again, but those are the numbers and that is the way it is.

The plan created by the Members of Parliament Retiring Allowances Act is what we pay into but it contravenes the Income Tax Act. How do we get to pay more into a pension plan than those who are contributing in the private sector? We do so by writing our own rules and using the retirement compensation arrangement or an RCA account.

As we see in section 4300 of the income tax regulations, RCAs were originally introduced in October 1986 to prevent taxpayers in the highest tax brackets and employees of non-taxable entities from deferring the payment of tax, which happens across the country. Contributions to an RCA are subject to a 50 per cent refundable tax under section 207.5(1), which also

applies to any investment income plan; most retirement plans are invested. It is a very expensive way to fund a retirement plan for anybody but the government.

As a report produced for the National Citizens Coalition points out, the use of the RCA means the government is going through the motions to comply on paper with the provisions of its own law. In other words, this looks legitimate under the Income Tax Act because it is all right under the RCA.

(1155)

Madam Speaker, when I was called opportunistic that hurt me and maybe that bordered on something unparliamentary. I would have loved it if you had jumped up in my defence because I am giving up a lot of cash. As somebody who is opting out I should mention the effect Bill C-85 and the RCA account will have on me because it is substantial.

I trust there will be some opting out from the government benches because the full class of '88 is in the same position I am; all of us on this side of the House with the exception of a few Bloc members who were here before sitting as Tories.

The portion of my contributions that went into the retirement compensation arrangement, the RCA, or 7 per cent of everything I have earned in the last six years I have transferred over. I now will have to pay tax on it. It is one thing to think that I am somebody who is opting out and will just scoop up that money. The government says I can get all the money back that I have contributed but with zero from the government. It would be wonderful to say: "I opt out of the rich stuff, please just give me my contributions plus matching contributions from yourself". That is all we are really asking. Make it fair. Make it in line with the private pension plans. I will only be able to get back my money at 4 per cent interest, which is the money I have put in.

It would be wonderful to roll that over into RRSPs, mutual funds or whatever, but I will have to pay tax on 4 per cent of my income which is in a separate fund. The portion the government puts into a legitimate registered pension plan has been sheltered from taxes.

I do not know if I am making myself clear enough. It has taken me ages to figure this out and so I do not expect somebody watching television to figure it out immediately.

The 11 per cent I am putting in is broken into 7 per cent and 4 per cent, with the 4 per cent sheltered from taxes. The 7 per cent we put into the other fund will be taxable. We will have to pay tax on that now while we are in a higher tax bracket rather than later when we are retired and living at a lower tax bracket. It means we will have to put more in.

If I had the option I would have taken the entire 11 per cent I have been putting in for six years and some months and gone to my financial adviser. I would have said: "Here is this much money per month; please put this into mutual funds and I will accrue the interest. You invest it wisely and I will be able to live

Government Orders

on it". I could have done that. I had the option. Maybe, but no. It was law that I had to do this and put it into this plan.

Really I had no option. I wish I had because I would have taken that money, the whole 11 per cent I had been putting in, which is \$600 a month, and I would have said: "Please do something with this. Put it into RRSPs; put it into mutual funds and I will collect the interest on that and I will look after my own retirement. This is my money, my salary, not public money. I will let regular sources of investment planning look after my retirement".

Mr. Penson: Like most Canadians have to do.

Miss Grey: Exactly the same way every other Canadian has to do it. Instead I was bound to put 11 per cent in there. It will pay me 4 per cent interest. With mutual funds, if I had been investing that \$600-odd dollars a month, I could have been getting back probably 9 per cent or 10 per cent. I would have been sheltered from paying taxes on it now. I would be glad to pay taxes on it later; it is the way the regular RRSP plan works in this country. I would have been able to put all of that money in, but instead I was bound by law. Now I have the option. Now I am taking that option, although it does seem a little ridiculous that the government will not even pay \$1 to \$1 contributions.

Apparently to compensate members for the minuscule reduction in their future benefit accrual rate the government has also lowered the amounts members contribute toward their own pensions. The minister mentioned that. He said that instead of 11 per cent we will now be putting in just 9 per cent.

(1200)

There has been all kinds of talk about whether or not it raises the salary of an MP. I will not argue about those figures. If I am not putting in eleven and I am putting in nine that gives me more disposable income. There will be more cash on my monthly cheque.

Let us think for a moment about reducing accrual rates from 11 per cent to 9 per cent, what I would have received if I had opted into the pension and what I might have received if I opted out. I want to look after my own money, my own retirement. I do not want to be dependent on the government. When I am older I want to look after myself with RRSPs. I do not even want to be a burden to the government if I am younger and collecting the MP pension plan that is so rich and generous.

If I had been given the option of taking the \$600 a month that I have been putting into the MP pension plan and putting it into my own retirement plan, I could have put in \$600 a month from 1989 to 1997. Let me use that nine-year period. What would happen if I had put \$600 a month into private RRSPs, mutual funds, rather than into the MP pension plan? Age 75 is the

average lifespan. Many people have calculated the average age to be 75 and how much they would get by age 75 with inflation at age 60. If the variables correlate to each other on par and I were to collect about 7.5 per cent interest, which is reasonable and fair, I would collect \$663,900.

If I put \$600 a month in for eight or nine years and let it sit there accruing interest I would get back at age 75 about \$664,000. If for some reason I was particularly lucky and obtained a 10 per cent rate I would stand to gain \$1.29 million. Under the pension plan that the government is putting in \$3 or \$4 to \$1, I would stand to gain about \$1.2 million.

This is hypothetical because I had to put money into the pension plan. I would collect about half what I stand to gain under the new plan if I put the money into RRSPs. It is no fun to collect only half. I do not think any member in the House would ask: "How stupid do I look?" Is it more fun to collect \$1.2 million or \$660,000? Obviously whatever we get we could live into that income, but the fact remains that the \$664,000 I invested, that somebody went out and invested on my behalf, would be my money. At the grand old age of 75 I would be able to collect that money and say: "I did this. I looked after myself. I was not dependent on government and I feel good about that".

I would have a hard time collecting the MP pension plan. I would feel a little guilty spending the money because it was not my money, because I did not earn it myself or look after myself financially.

According to the Treasury Board, members will now contribute \$1 for the \$3.61 taxpayers contribute. That number was a lot richer in the last Parliament. It seems as though there was a great sweep of this place in 1993 and a lot of the older members left. There are many new members in the House right now. That is the largest reason. We were told by Treasury Board—it is not some figment of my Reform imagination—that it would be \$3.61 to every buck we put in. It looks better. It looks more noble. It looks like there is a real saving but it has nothing to do with any nobility on behalf of the government.

It has to do with the fact that generally there are more new members in the House. That is what we were told in the briefing by the department. The government pays a generous rate of interest on this account, which is a cost to taxpayers but which is not included in the total cost of the plan that the government admits to.

My point is that in the public accounts of 1993-94 last year they paid interest on \$23 million. That is kind of scary because it goes into government expenditures. At the same time it does not specifically look like it is paying the MP pension. It is just amazing. They are spending \$23 million on interest and it is nowhere in the budgetary figures.

Government Orders

(1205)

Many members on the opposite side of the House have spoken both during their election campaigns and later in the House on the need for changes to the plan. I do not mean to be critical at all. In fact I applaud the member for Lambton—Middlesex who indicated to her constituents during the election campaign that the MPs pension plan should be, and I quote from *Hansard*, “more fair to the general public’s pension plan”. I applaud her for that. It is terrific.

Similarly the member for Waterloo indicated in the House that during the campaign he supported the minimum age of 60 years. The member for Ontario said that he would opt out of the plan. This is not something we are trying to make our issue. It should be a totally non-partisan issue. We are talking about cash and not politics. It will cost money. Anyone on both sides of the House who has the nerve should be rewarded and applauded for opting out of the program.

Let me conclude my remarks by saying that the signal the bill sends is more important than anything else. It seems unfortunate to me that the signal being sent is that we are reducing the fat a bit, that we are sacrificing an incredible amount for the country but we will still take a lot more cash than anyone who is buying into a private pension plan.

This is unacceptable to us. We applaud the government for bringing in the bill. I am sorry to say it is not good enough. It will not withstand the test of fire by the people who are paying the bills for it. Therefore I move:

That the motion be amended by deleting all the words after the word “that” and substituting the following therefor:

That Bill C-85, an act to amend the Members of Parliament Retiring Allowances Act and to provide for the continuation of a certain provision, be not now read a second time but that the order be discharged, the bill withdrawn and the subject matter thereof referred to the Standing Committee on Procedure and House Affairs.

Mr. John Solomon (Regina—Lumsden, NDP): Madam Speaker, I rise in the House this afternoon to make some comments concerning Bill C-85.

Primarily I should like to deal with the issue of fairness in Bill C-85, to talk about some alternatives the New Democratic Party has put forward in the past which we will continue to put forward in the future, and to make a recommendation to the House with respect to the bill.

(1210)

I have served in the Saskatchewan legislature in the past. I have made speeches in public, in legislatures, in private and in other places about adequate compensation for elected officials. I have always believed, as the majority of Canadians believe, that if we pay adequate compensation to elected officials they are accountable to us. If taxpayers pay the fare for pay and benefits in a satisfactory way, the elected officials will be accountable to

the taxpayers who pay the pay and benefits whether they are current or deferred.

I have made this speech in many forums. I have had support from almost 95 per cent of the people who have listened to my comments, in particular those in Saskatchewan. They agree that elected officials should be adequately compensated so that they can do the business of government and provide good, honest government.

Unfortunately for eight years in Canada we have seen the Mulroney government govern in a way that most Canadians rejected unanimously. As a matter of fact they only elected two members of Parliament as a result of the Conservative record. We have seen a government in Saskatchewan under Grant Devine Conservative for nine years, driving the province into bankruptcy and being totally dishonest with the people of Saskatchewan. They are despised by the people of Saskatchewan. The latest event in Saskatchewan is that one-third of the former government’s cabinet and caucus is now facing charges before the courts for the type of alleged dishonest actions the taxpayers and the voters perceived them to be following when in government.

The Mulroney government drove our country into debt, gave tax breaks to the wealthy, hurt the poor, attacked the middle class and served the country in a very dishonest fashion. It is the same with Grant Devine, premier of Saskatchewan. Taxpayers have the same attitude toward him. People would say that paying those politicians a dollar a year would be too much, and I believe they are right.

Prior to the 1993 federal campaign in Canada and the 1991 provincial campaign in Saskatchewan, we have seen people who are disenchanted and cynical about elected politicians because of corruption, dishonesty and incompetence. New Democrats have always said, and we are supported by Canadians across the country, that if the government is good and honest and provides a fair agenda of legislation, pay and compensation will not be issues. They would wish to pay elected officials in a satisfactory way.

J. S. Woodsworth once said: “What we desire for ourselves we wish for all. Elected officials are elected with integrity, with common objectives, with individual objectives to serve their country”. I think J. S. Woodsworth was saying that to get elected to Parliament to serve the country and do to fellow Canadians what we would like to have done to ourselves and is an honourable approach to government. He worked very hard as have the CCF and the New Democratic Party over the years to achieve those objectives.

We see in Bill C-85 one step forward to perhaps addressing the pension issue, the pay and benefits aspect of elected officials. However I am not sure whether it goes far enough. Canadians will judge that as time goes on.

Government Orders

With respect to desiring for ourselves what we wish for all, as J. S. Woodsworth has said and as has been quoted by many thousands of people over the years, we in the House of Commons and in the Government of Canada must show Canadians by example that it is a good government, that we are parliamentarians with honesty and integrity, and that we will introduce and support legislation to benefit Canadians as a whole rather than hurt Canadians. If we do this the attitude toward politicians will be much fairer and less cynical and we will be faced with spending a lot less time debating issues like a pension or salary package.

(1215)

I also want to make a comment with respect to the Reform member for Beaver River who said that she is taking a reduction in pension and that this is an honourable thing to do.

Public service and serving the public is an honourable thing to do. Firefighters, police officers, provincial, municipal or federally elected officials are honourable professions in this country. It is no different from homemaking, working in retail, working in a steel mill, working as a teacher or in other areas. These professions are very honourable. They in essence serve the good of the country and the public.

If I were wealthy, I would gladly do this job for free. Most parliamentarians in this House would say the same thing.

As a matter of fact in the United States a large number of wealthy people govern the country, but Canadian taxpayers will say: "Who will the wealthy govern the country for? Will they govern the country for those who are on welfare, those who are single parents, those who do not have an education, power or pensions or other sources of income to support them? Who will they support? Will they support their own kind or will they support all Canadians?" In the American example we see very clearly that to be active in politics you have to be a millionaire or a multimillionaire just to run for office, never mind serving your country.

There has to be fair compensation with respect to elected officials. Most of us would serve if we were not paid and were able to have some other income to sustain an adequate lifestyle. As long as members of Parliament set their own benefits, Canadian taxpayers will believe benefits are too generous.

We see in the Reform Party and others in politics, the former Conservative governments, that they play the mugs game. It is not a winning game. It does not matter if we get paid \$64,000, or \$90,000 or \$15,000 a year, it will still be too much in some people's eyes. That is fair. They are entitled to their opinion.

The point I am making is that we have to look at this pension bill in a very broad way. We have to recognize some of the arguments on both sides of the issue whether it is a mugs game: "I am going to bid down the pension; I am going to bid down the

salary; vote for me, vote for me," or whether we are going to say: "I am elected as your member of Parliament. I am going to conduct myself in this House on behalf of this country in an honest, hard working way to ensure that my constituents have as much opportunity as possible for input to government and to ensure the decisions we take benefit as many Canadians as possible, not just a few".

Canadians have to be aware that it is a mugs game when we start bidding down benefits, and who is to benefit? The benefactors will be those who are rich and wealthy enough to seek public office. They will represent those who are rich and wealthy who already in most part influence this country through the Conservative Party, the Reform Party and the Liberal government of the day.

Most of the wealthy corporations contribute to those three parties. That is something the ordinary taxpayer has to be more aware of. They have to say that perhaps they should elect to Parliament people who are not wealthy, who do not support the wealthy, who are not on big pensions like many of the Reform members are.

I question the Reform's tactics and motives. In the Reform Party many members are receiving military pensions, teachers' pensions, former MLA pensions. They have all sorts of other private sector incomes and they are saying let us do away with this and let us do away with that.

Meanwhile they are ignoring the real problems of our country: the lack of jobs; the lack of commitment and resources to law and order; the lack of commitment and resources to our social programs. They do not care about people. They are just trying to make a political point and play a mugs game which they may or may not win.

If they win one battle they may be happy with that. The alternative is that people may not be too concerned about how low we go. I think they are more concerned about how hard we work and what kind of positive governance and representation in this House we give them.

(1220)

The second point I wish to raise concerns the positive steps Bill C-85 has taken. I want it to be known that I am not endorsing the bill. However, I want to say that New Democrats have led the country in pension reform since 1979, unlike Reformers who have only talked about it since the last election.

I refer specifically to Saskatchewan Premier Allan Blakeney. On July 1, 1979 a bill was given royal assent in Saskatchewan to change MLA's pensions from the defined benefit plan, which we are now under in the House of Commons, to a defined contribution plan, which means it is a money purchase plan. It is like an RRSP. The member puts a dollar in and it is supported by the employer matching it with a dollar. Whatever is put in and

Government Orders

earned through various investments is what the member will receive.

The leader of the NDP, the hon. member for the Yukon, went on record in 1991, 1992 and in subsequent years calling for an independent commission to review MPs pay and benefits and in particular the pension plan.

The NDP has been doing this for 16 years. Bill C-85 is a step in the right direction. First, it reduces pension benefits by 20 per cent. Second, it raises the age of eligibility to 55 years from no age before. That is quite positive. Third, it reduces the cost to taxpayers by one-third, which is an honourable objective. It is on the right track and I believe most Canadians would agree that it is a positive step. Further, it eliminates the double dipping issue, which the minister spoke of earlier.

I would suggest that this bill not be endorsed in its entirety, but that it be referred to a standing committee—

Mr. Williams: Madam Speaker, I rise on a point of order. There does not appear to be a quorum in the House.

The Acting Speaker (Mrs. Maheu): I do not see a quorum. Call in the members.

And the bells having rung:

The Acting Speaker (Mrs. Maheu): Quorum is present. Resuming debate.

Mr. Solomon: Madam Speaker, New Democrats have led the country in terms of pension reform provincially and federally. As a matter of fact, in September 1994 I introduced a private members' bill which proposed a money purchase plan for members of Parliament that was based on the Saskatchewan model. There were a fair number of members who considered that plan and thought it worthwhile.

I also introduced private members' Bill C-314 which is calling—

Mr. Williams: Madam Speaker, I rise on a point of order. There does not appear to be a quorum in the House.

The Acting Speaker (Mrs. Maheu): There is no quorum. Call in the members.

And the bells having rung:

(1225)

The Acting Speaker (Mrs. Maheu): Quorum is present. Resuming debate.

Mr. Solomon: Madam Speaker, I noticed the Reformers who are calling quorum do not have any members in the House themselves, so I am curious about that.

The Acting Speaker (Mrs. Maheu): I am sure the hon. member has forgotten that we do not discuss the presence or non-presence of members in the House.

Mr. Solomon: Madam Speaker, Bill C-85 has a double dipping feature. I might add that I introduced a private members' bill which calls for addressing the real double dipping issue. My bill on double dipping is not included in Bill C-85 but I propose it be considered. Members of Parliament who are elected and receive pensions or other income would have their MP salaries reduced dollar for dollar with respect to the pensions they are receiving.

I say this because a host of members of Parliament stand in this House from time to time and call for a reduction of this or a bidding down of that. They are receiving huge pensions, whether they are military pensions like the Reform Party members, or MLA pensions like the Reform Party members, or municipal pensions or provincial government pensions or pensions from companies or government agencies, boards and commissions.

Those members stand and say: "Let us cut this and cut that because we are already getting \$61,000 a year or \$41,000 in big pensions". Canadians have to be aware of that. I would like to see this bill adopted by this House. If you are receiving a \$60,000 a year pension, then you can serve your country for a \$60,000 pension plus \$4,000 more to make up the difference between the member of Parliament salary and the money already being received from the public treasury.

However, I do not see the Reform members standing up and talking about this, or even the Liberal government members. However I would ask members to consider that.

With respect to the money purchase recommendation I have said the NDP government in Saskatchewan and New Democrats across this country have led pension reform. We have had a tradition of working toward a fair plan. To ensure fairness the Liberal government must appoint an independent commission to review this legislation to ensure it is fair for taxpayers and plan benefactors. As long as MPs are setting their own benefits, Canadian taxpayers will believe benefits are too generous.

I might add that Saskatchewan is a model yet again today. It has led Canada for 16 years in pension reform but today it introduced pension legislation yet one more time. It has announced a series of reforms to the MLA pensions which are deemed by the Canadian Taxpayers Federation and the National Citizens' Coalition already to be the fairest in the land.

I quote from an article by the Association of Saskatchewan Taxpayers:

The pension plan for Saskatchewan MLAs elected after 1979 is one of the fairest political pension plans in Canada. For every dollar these MLAs contribute to their pension fund, taxpayers match it by \$1. MLAs can only draw benefits based on what their own fund earns.

Government Orders

This is called a defined contribution plan which is forced to pay for itself and therefore will not develop an unfunded liability. The only province with a more taxpayer friendly plan is Alberta which has no plan.

The article goes on:

The Canadian Taxpayers Federation has called on other provincial and federal politicians to adopt the 1979 Saskatchewan model of reform, with one exception which was noted in the May 1994 issue of *The Taxpayer*. The politicians of 1979 refused to lead by example and hoarded the rich old pension plan for themselves. This one catch in the scenario keeps growing uglier since we first took issue with it.

In response to the last part, the Saskatchewan government has rolled back the pre-1979 pension plan for members. It has capped the pension for current members who are contributing to a defined benefit plan at 70 per cent, based on four-year averages. This will expand restrictions as well in the new bill on double dipping to include members of the House of Commons, members of the Canadian Senate, judges of any court and any employment or service paid for by the Government of Canada or any other province or territory.

(1230)

Saskatchewan has gone one step further in double dipping as well as the pension plan. It will eliminate the special pension allowance for the premier that was introduced in the 1960s by Liberal Premier Ross Thatcher.

I call on the Liberal government to refer the matter of the Prime Minister's bonus of \$50,000 at age 65 to an independent commission. The Liberal government should take some leadership and eliminate the wealthy Prime Minister's special bonus, as Premier Roy Romanow has done in Saskatchewan with his pension and those of members who served in the legislature prior to 1979.

In summary, I appreciate the concern and the interest of Canadian taxpayers on this issue. Bill C-85 goes a long way in addressing the major concerns of Canadians. However, regardless of what we do, when MPs produce and pass legislation respecting their own salary and benefits, Canadians will always perceive it to be too generous.

I ask the government to consider this aspect and not to refer the bill to the procedures and House affairs committee, which is a nice good old club of MPs, but to refer the legislation to an independent commission and let it establish once and for all, apart from elected members, what our pay and benefits should be.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Madam Speaker, I enjoyed listening to the comments of the hon. member for Regina—Lumsden. He expressed his concern about double dipping which of course I share.

Examples of double dipping cross many party lines. The three old parties are all guilty. One person who comes to mind is Ed Broadbent, former leader of the federal NDP who is double dipping at this very moment.

However, the member talked about those who have served in the military or in other levels of government and then come to Parliament as also being double dippers.

I would like to give an example. Someone has served in the military for 25 or 30 years, or someone has served at a lower level of government for 20 or 30 years, has made it a career, paid into an actuarially sound pension, not like the MPs pension which is funded four to one, five to one by the taxpayers for every dollar that we contribute. I am talking about actuarially sound pensions. Is he suggesting that these people should not collect their pensions after a long and distinguished career of service in these areas?

Mr. Solomon: Madam Speaker, I appreciate the question from the Reform House leader.

I would like to make two points. First, two months ago the former leader of the New Democratic Party announced that he would not be receiving his pension while he was employed by the government. He terminated his benefits two or three months ago. As always, the member is misinformed. The former NDP leader is not receiving two incomes.

Second, the member is suggesting that military pensions or certain government pensions are actuarially sound. The big news for members of the Reform Party, to which I would ask them to listen very carefully, is that these defined benefit plans are not funded totally right now. They have massive unfunded liabilities.

Provincial-federal plans are short billions of dollars and additional revenues have to be pumped into them to meet the defined benefit aspect of the plan. As leaders of the country we should undertake to change our plan, make it a money purchase plan. From there we should go to the various departments and try to negotiate that with the various unions to ensure that the public sector is doing what the Saskatchewan public sector is doing.

(1235)

I might add to the House leader that the Saskatchewan public sector has had a money purchase plan not since 1979 but since 1977. Even though it has had that plan since 1977—that is almost 20 years ago now—its defined benefit plan, which was well run over the years, is still about \$2 billion unfunded in terms of future liability on the part prior to 1977. This is something that the Reform members should feel quite concerned about.

With respect to the last question that the member for Kindersley—Lloydminster asked, should people who are receiving public pensions serve in the House and receive an MP's salary in

Government Orders

addition to that? I say not because that is the real double dipping. You are getting a public pension and then serving the House of Commons and getting an MP's salary.

Members stand up in the House and say: "Let us cut this. Let us cut that. By the way, let us also cut low income people. Let us cut jobs. Let us cut medicare. Let us cut social services. Let us cut education. Let us cut everything because I am all right, Jack. I have a big income. I have a big pension". That is the message of the Reform Party.

Canadians see through this very thin argument which has no merit whatsoever. It is good rhetoric when no one else knows the facts. When people know the facts, I am sure they will make a decision with respect to whether the Reform's argument holds water.

Mr. Jim Silye (Calgary Centre, Ref.): Madam Speaker, just under two years ago Canadians sent a clear message to Ottawa that they were tired of the status quo, of hypocritical politicians and subsequently voted in 205 rookies.

My speech is to those rookies and my message is, let us not let the veterans corrupt us. When the voters fired the former frontbenchers, the former backbenchers and former prime ministers, they took away their power but for most not their pay cheques. As taxpayers we will be paying them for life 75 per cent of the average of their best six years of salary if they served 15 years.

The issue before us today is the MP pension plan, technically described as two separate items, the members of Parliament retirement allowance and the retirement compensation allowance. This is because the pension plan for parliamentarians was excessively generous and would not have been accepted as a registered pension plan under the Income Tax Act so the politicians split it into two.

I will be talking a lot about double standards. That is my first example of a double standard, one for politicians and one for the rest of Canadians.

An MP currently contributes a total of 11 per cent of the sessional indemnity to obtain pension benefits. Four per cent is applied to their retirement allowance while 7 per cent is applied to the compensation allowance. That is a sneaky way of getting around it. For additional benefits available, an MP with additional duties such as serving as a minister, there is the same split of contributions: 4 per cent to basic and 7 per cent to additional exists.

Under Bill C-85 these percentages and the amount of the salary that they can contribute has been reduced from 11 per cent to 9 per cent. Here we have the basis for a plan that is fully indexed, completely immune to inflation and not available to people in the private sector.

In the name of justice and fairness, I urge the government to go further than it has in Bill C-85 and bring all members, past and present, out of the ivory tower, back to earth and back to reality. I plead with them to show some leadership by example, like Reform Party members.

We have pledged not to take an MP pension in its current form even if this smoke and mirrors bill is passed. Many of us, whether we can afford to or not, have also taken a 10 per cent cut, not because MPs make too much money but because as leaders we know that Canadians will need to sacrifice in the near future and are sacrificing now probably. We are prepared to lead by example at the top, no more double standards, one for politicians and one for the rest of Canadians. We challenge the government to follow our lead because simply put, it is the right thing for it to do especially when it asks Canadians to sacrifice.

Personally, I would like to thank the government and the Prime Minister for allowing Reformers to opt out of the pension plan. It is unfortunate it is available only to the class of '93 and not the class of '97. This is a one shot deal.

(1240)

Nevertheless provinces like Alberta, that eliminated the government pension plan altogether, will continue to lead by example. It shows integrity. They do not just talk about it. Most important, it sets a higher standard for politicians.

I would encourage all Liberal rookies, to whom I am addressing my speech today, to consider opting out with the Reformers. Weigh it against being voted out by the Canadian public in 1997.

How can the Minister of Human Resources Development complain about 25,000 auto workers withdrawing \$70 million annually from the UIC fund when taxpayers paid out an estimated \$158 million in 1992 to cover revenue shortfalls in the MP pension fund and currently pay in excess of \$2 million a year to do exactly what he is criticizing auto workers of doing? That is hypocrisy.

How can the Minister of Finance nickel and dime RRSP contribution limits in his budget without addressing his own retirement compensation allowance that taxpayers fund more than he does?

The hypocrisy of the Liberal government on this issue is truly disheartening. Liberals promised to reform the gold plated MP pension plan but with Bill C-85 all they have done is nibble around the edges. Canadians will continue to fork out millions of dollars to former cabinet ministers and backbenchers.

The Prime Minister takes great pride in stating that MPs are held accountable at election time. That is when Canadians have their say about the government's performance. If Canadians say that the government stinks and sends it packing like the Tories, these members will still be looked after for life by the Canadian

Government Orders

taxpayers. We may fire them, Canada, but we will continue to pay millions of dollars to look after them.

That is why we are opting out. We feel there are much better ways to look after our futures than this current double standard: one for politicians and one for the rest of Canadians. It is as if the pension plan is a separate UI program for the aristocrats, the select elected few who are better treated than the ordinary Canadian and are somehow, because they serve their country, a cut above the rest.

The Prime Minister scored great political points in opposition when he tried to call the Tories back to the House during the summer to pass pension reform legislation. At the time he stated: "If she"—Kim Campbell—"recalls Parliament we would pass it in one day". That is how fast he would have moved in opposition. It sounds great, but what did he do once his party went over to the other side of the House and he became the Prime Minister? He waited a whole year for 52 more MPs, 46 of whom were Liberals, to qualify for their golden parachutes which this bill protects.

We have three tiers, which I will get to later, of pension qualifiers. Is it any wonder then that some of us on this side of the House question the double standard and the arrogance surrounding the government on this issue?

Mr. Solomon: Mr. Speaker, I call a quorum count.

The Acting Speaker (Mr. Adams): The hon. member for Regina—Lumsden has made a quorum call. I see a quorum at the present time.

Mr. Silye: Mr. Speaker, I would appreciate it greatly if you added the extra five minutes this took on to my speech, please.

Let me outline some of the many double standards regarding pensions contained in Bill C-85. It is fully indexed against inflation. This feature is not available in the private sector with the exception of maybe one of the richest companies in the private sector. This indexation costs a lot of money. Members do not contribute enough for that privilege. There is one standard for the elected politician. Yet the ordinary hard working Canadian taxpayer who looks after their own future in the private sector does not have that same opportunity, that same privilege, but a politician does. It is a double standard.

(1245)

The second point is double dipping will not end for former members, past colleagues of the House like Joe Clark who is currently on the payroll and is receiving his pension plus his salary.

Mr. Solomon: Mr. Speaker, on a point of order, there are no Reform members in the House. I call quorum.

The Acting Speaker (Mr. Adams): I will ask the clerk to count the members present.

And the count having been taken:

The Acting Speaker (Mr. Adams): I do not see a quorum. I would ask that the bells be sounded.

And the bells having rung:

The Acting Speaker (Mr. Adams): A quorum is present, resuming debate.

Mr. Williams: Mr. Speaker, on a point of order, the member for Regina—Lumsden made reference to the fact that there were no Reform members in the House. There are two things I would like to bring to his attention. That statement is completely incorrect. There are Reform members in the House.

I understand the rules do not allow members to speak of members not being present in the House. I want to ensure the record will show there are and have been Reform members in the House at all times.

The Acting Speaker (Mr. Adams): The member is correct. We do not refer to the presence or absence of members in the House. I ask that all members abide by that regulation.

Mr. Milliken: Mr. Speaker, on a point of order. I wish to point out that members of the House are in the lobbies, many of them having lunch. It is lunchtime, after all. This perpetual set of quorum calls is nothing but a delay tactic on the part of the hon. member for Regina—Lumsden.

The hon. member has flown the coop and there is not a single New Democrat in the House and there has not been all morning except for him. If those people do not show up for the debate and do not participate in the House they should be defeated by their electors for their non-attendance which is perpetual.

The Acting Speaker (Mr. Adams): I think we are engaged in debate. Unless there is another point of order, resuming debate.

Mr. Silye: Mr. Speaker, if this is all intended to get me upset, ruffled and riled it will not work. I will continue along pointing out and showing the double standard of the government, the double standard with which it holds itself in much higher esteem than the rest of the Canadian public.

I was trying to point out all of the double standards contained within Bill C-85 and it should be made the same as the private sector. I pointed out the full indexation which protects the amount of money politicians get against inflation and not available in the private sector.

Former members are not touched by this legislation who are double dipping. It is only if they get reappointed at the end of this term. That is another double standard. Why leave them alone? Why leave them untouched? They are the ones who started all this. They are the ones who started giving themselves

Government Orders

these generous benefits. Why is the government protecting them?

The accrual rate has been reduced from 5 per cent to 4 per cent. That is admirable. It is a reduction. It will reflect in savings. There is no question about that. It still is double that of the private sector. The private sector is 2 per cent limited by the Income Tax Act. This defies the Income Tax Act and it goes to 4 per cent. The Liberal government is bragging now that this will increase to 19 years before members get 75 per cent of their six best years. In the private sector at 2 per cent it will take 35 years to get 70 per cent of their salary. It is a double standard; one for a cut above the rest and the other for the ordinary Canadian.

(1250)

Pension income in the private sector is limited to 70 per cent of an individual's three best years, but for those in Ottawa who are a cut above the rest it is 75 per cent. It is a 5 per cent difference, but it is still a difference. It is a double standard.

The maximum contribution in the private sector is between 5 per cent and 7 per cent of an individual's salary, which is matched by the employer. Here in the House it is 9 per cent, in the Senate it is 9 per cent, and it is matched three and a half times. It has been reduced from six to one to about three and a half to one. That reduction is good. It is headed in the right direction. Come down another 2.5 and I think the government might have a plan which would be acceptable to the Canadian public. Once again, there is a double standard.

Bill C-85 reduces the six-year eligibility rule, which was ridiculous. No one should qualify for a pension for life after only six years of service. I commend and compliment the government for that. In its place it introduced the requirement of the age of 55 for a fully indexed pension; once again, another example of the double standard. In the private sector the age for retirement is 65. If a person chooses to collect their pension before age 65 they receive a reduced amount. That is not so with politicians. They are fully indexed at age 55 with no penalties, away we go. It is 10 years better than the private sector and that should not be. Cabinet ministers have no cap on the level they can contribute from their salaries to the pension plan.

We now have a three tier plan. We have the trough regular plan for all those members of Parliament who were here prior to 1988, such as the Deputy Prime Minister and the Prime Minister. We have the trough light plan, which applies to all the rookies in the House, the class of '93. If they are dumb enough to take it, if they are dumb enough not to force the rest of their veterans to follow along with them, then that is the way it is. Then there is the trough stout plan. If a member has higher responsibilities and makes a little extra money there is no cap. We have trough regular, trough light and trough stout. Those are three plans for politicians, who are a cut above the rest. There is only one plan

in the private sector. It is another example of the double standard.

Why not cut out the previous members' generous plans, or the previous members who are untouched? Why have this trough stout? Why not reduce it by even 5 per cent to 10 per cent, or buy them out rather than paying them \$1 million, \$1.5 million or \$2 million over 20 or 30 years? Buy them out for \$.5 million and be done with it. Let us clean it up and fix it properly once and for all. It is time to cut our losses.

Ministers receive a bonus on top of their salaries; not a bonus, it is extra remuneration for their extra workload. There is no limit on how big their pensions can become. They are not limited to the 75 per cent of the six best years. The Prime Minister and people who have been here for 30 years could end up getting 110 per cent of their salary when they are finished. That is not so in the private sector. That is not so for the rookies of the class of '93. That is not so if a member remains a backbencher, a parliamentary secretary or chairs a standing committee. That is a double standard.

I do not understand why the Liberal rookies did not squawk more. They do have a chance to lead by example. They also have a chance to opt out. I hope they do because Canadians will be looking at whether people opt out and try to have a sensible plan. They might be voted out if they do not opt out.

The bill sends a message that politicians are not ordinary people but a cut above the rest. That is why people do not like politicians. That is what politicians have come to represent: self-serving interests rather than serving the interests of the Canadian public.

Reformers would end full indexation of pensions. We would postpone eligibility for benefits until at least age 65, with accessibility at a reduced rate. Eligibility would be further postponed by the amount of time in which the person was already paid prior to age 65. We would subject the MP pension plan to a tax back according to a formula identical to that of the old age security program.

The Reform caucus has already approved the concept of privately purchased pensions under which future RRSP contributions for sitting MPs would be matched by the government up to the legal limit for contributions.

After eliminating the current gold plated pension plan the House could agree to a proper and balanced compensation package which would be more palatable and compatible with Canadian taxpayers.

(1255)

Here is my personal recommendation which is certainly debatable but which should satisfy our critics. Whereas individual citizens from time to time wish to enter the public sector to help shape legislation and help make a contribution to Canadian society, whereas it is desirable to attract individual citizens from all walks of life to Parliament regardless of income, a reasonable compensation package should be offered to have this

Government Orders

great institution in the hands of members of Parliament more interested in serving their country rather than for the pay, perks and privileges without inflicting undue financial hardships.

This is an important job. Only 295 people in Canada have it at one time and they must balance personal sacrifices with the public interest. Given the current job description and people's expectations, let us get rid of the impression that somehow MPs are special or deserve something better than the private sector.

What politicians do is freeze their salaries so they can stand up in front of Canadians and say: "We too have made sacrifices". Then they overcompensate with this high gold plated pension plan.

Everyone in the House would agree that if we are truly to address the pension plan we have to talk about our salaries. That option is not open because our salaries are frozen. The government has conveniently blocked real pension reform from all possible angles.

I know that except for Ottawa and area MPs all of us need to spend extra money on a second residence and extra transportation. Therefore let us come clean with Canadian taxpayers and say: "Here are the costs of being an MP. We need a second set of everything. If you want somebody to represent you, it has to be paid for or very few will be willing to serve".

The job with its responsibilities compared with the private sector is at least at a senior executive level and is deserving of a \$12,000 per month salary perhaps. Why not get rid of the MP pension plan and the tax free living allowance, the tax free expense allowance, limit members to two terms and offer a taxable salary at \$12,000 per month wherein members look after their own expenses. These are my personal points of view and do not reflect the party's point of view whatsoever. MPs should be paid more but once they are removed from office Canadians should not be on the hook for about a million dollars per member. They should be given a private sector pension plan into which they pay 5 per cent matched by the government on a one to one basis.

What is so hard to understand about that? Why this six to one, three and a half to one, 11 per cent, 9 per cent? This is confusing. Upon departure, I would get a one time, one-year severance to help re-enter the workforce and reintegrate into my previous life.

This is no different from the private sector and would make the voters and politicians happy. It is an honest, clean, simple, visible, understandable and, most important, above board recommendation. The rookies in the House have to understand it is not so much politicians' basic pay that angers Canadians, it is the gold plated pensions, the tax free allowance, the junkets, the things unavailable and in some cases illegal for those in the private sector.

The days of pomp and pageantry are over and it is time to start paying politicians what they are worth, no more and no less; no golden handshakes, no fancy accounting and no more double talk. Rookies of the House, it is up to you, it is up to us.

Mr. Sarkis Assadourian (Don Valley North, Lib.): Mr. Speaker, can the member identify a member in the House who receives a \$60,012 annual pension from Alberta, who receives \$64,400 MP pension and donates 15 per cent of it? Last year, he received \$21,300 in an expense account for a grand total of \$151,052. Can he identify this MP for the audience in the House and for the viewers in Canadian living rooms?

Mr. Silye: Madam Speaker, the member's own President of the Treasury Board this morning stood up in the House and gave the first intervention on this bill. He introduced the bill.

In the bill the President of the Treasury Board defined double dipping. Double dipping was defined by the government—in his own words clearly and specifically, and he did not use the legalese language—as a former member of the federal government receiving remuneration for a job after they are finished serving the Canadian public.

The member the Liberal MP asked me about is not guilty of double dipping. It is not double dipping. This individual served in the provincial legislature. This individual resigned from the provincial legislature. This individual offered his services to the Canadian public on a federal basis.

(1300)

He made it quite clear he was receiving a pension from the provincial government. He made it quite clear how much the amount was. He was totally above board and open. He did not run from this topic. He did not hide from this topic. He asked the voters in his riding and constituency. He said: "You know my circumstances, you know where I have been, you know where I want to go. If you want to send me there, I will be getting this from the provincial government and I will be getting that from the federal government". And they elected him.

We came here and we said that the MP pension plan is too extravagant, too generous, too gold plated. We are making some sense. We are getting to the government, because it agreed with us. The Liberals have changed it; they have improved it. But it is like everything else: they just go a little in our direction and claim they have gone all the way. It is like bragging. They are bragging they have done what the Canadians need.

Yes, I commend them for reducing the cost of the pensions and making it a little fairer. They are saving \$3 million a year. Nobody's denying that. But if you have something wrong with the plumbing or the electrical in your house, fix it right while you are there. When you are doing renovations it is expensive. This whole process is costing a lot of money. Why waste all of that money? Why not do it right? Why not fix it all?

Government Orders

An hon. member: We will have to do it again.

Mr. Silye: Now it will all have to be done again.

My point is that now that we have a clear definition of double dipping and we know what double dipping is, maybe the members of the government themselves had better find out what that definition is and stop giving the cheap shots to the hon. member for Lethbridge.

Mr. Assadourian: Madam Speaker, it seems to me the hon. member agrees that if someone serves this House for six years and gets his pension then he can go to the provincial government, serve there, and get another pension and it will be okay.

I cannot follow the logic. A pension is a pension is a pension. They always make the point that there is only one taxpayer in this country. In this case, the taxpayers of this country are paying \$151,052 for a member of Parliament who is not even here to defend himself.

Mr. Silye: Madam Speaker, I gather the member opposite said he did not understand my logic. I do not understand how that could happen. Let me try to be really clear.

I talked about a double standard. I talked about a method of politicians paying themselves remuneration that is excessive and that is different from what is available in the private sector.

We are no better than the people we serve. We are only one among them who has been asked to serve because we offered to serve. That does not then put us at a higher, loftier level where we deserve twice or three times the benefits, protecting ourselves from the rules of the workplace they have to live with. That is what is wrong with this system.

Nobody deserves a pension for life after six years of service. The government corrected that. That is a heck of a step for this government, and I give it a strong thank you and a strong compliment for doing that. That is recognizing one of the things that is wrong with it. The Liberals deserve credit for listening and I applaud them for it.

However, they introduced 55 as the qualifying age, fully indexed with full payment, when in the private sector it is 65 years of age. If you want to get it prior to 65, you would get a lesser amount. None of that is comparable.

Why is it this way for us in the House? It is all from the old-line politicians; it is not from us rookies. It is not from the Reformers. We came here to clean it up. I am asking the 205 rookies, why the heck are we not standing up instead of letting

these cabinet ministers that have been here before push their weight around? We know what is right. Let us do that.

We are ordinary Canadians serving the public. We should get fair compensation, fair remuneration. It is at a senior executive level. Pay us \$150,000 a year. We will look after our own pensions. We will have it matched by government. People will accept that. But these two or three triple standards, this trough regular, trough light stuff is getting ridiculous. This is all we are saying.

I am frustrated. I should not have become frustrated, but I am frustrated when I try to make sense, I try to give reason and I want to work with the government so the integrity of all politicians will rise, and they insist on saying: "No, no, no; we deserve it".

It is just like the mileage. Why does an MP deserve 37 cents and the private sector businesses with salesmen get 31 cents for their travel allowance on gasoline? That is ridiculous. It is another example of a double standard.

Why can this government not get it through its head that the Reform Party is only trying to bring some sanity and integrity back into this House? We are on their side, but they will not listen.

(1305)

Mr. Ian McClelland (Edmonton Southwest, Ref.): Madam Speaker, as I listen to this debate unfold today, and I recognize there are good people on all sides of the House, I wonder what it is about the pension that leads to good governance. That is really what this debate is all about.

Does this pension in any way help Canada have good governance? Has it over the past 30 years had good governance? By any rational score card the answer would have to be no. We happen to be \$550 billion in the hole and we are increasing our debt to the tune of \$120 million a day, so that we are in debt now, every single Canadian taxpayer, \$40,000. That is just the federal part of the national debt.

Then the question is: What is it about a pension that leads to good governance? Does that pension then attract and retain good people in the Parliament of Canada? My submission is no, it does not. In my view, after being here for a year and a half, I think the governance of our country would be immeasurably improved in three simple steps. The first is to get rid of the MP pension plan. We should be here doing what is right, without having this become a lifelong job and then return to the private sector.

I ask the member for Calgary West if he would respond to this question.

The Acting Speaker (Mrs. Maheu): I am sorry, there are about 30 seconds left. If you would like an answer to your question, which will have to be 30 seconds, will you please put it now?

Government Orders

Mr. McClelland: What is there about having a pension that would lead to good governance? Does it lead to good governance or has it in the past?

Mr. Silye: Madam Speaker, a fair and reasonable pension that is commensurate with the private sector with a salary that is commensurate with the private sector for the workloads inflicted upon these people would attract and would show some good governance, and that is what we have to do.

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Madam Speaker, I rise today to address this House on the subject of Bill C-85, legislation dealing with proposed amendments to the Members of Parliament Retiring Allowances Act.

[Translation]

Before presenting my speech, I would like to make a few comments. First, although I strongly disagree with the hon. member for Richelieu on a number of issues, including Canada's future, I want to congratulate him for making a speech based on facts. He made comparisons which help us get a better grasp of this whole issue.

It is not often that an opposition member presents facts and tries to help us better understand what we are doing.

[English]

With respect to the other speakers, it is my opinion that the Reform Party is exploiting a situation that I think it has whipped up for political gain. For example, there is the suggestion that if we take RRSPs this does not cost the taxpayers any money. I am sorry, that is terribly wrong. There are not millions but billions of dollars that the government is not getting as a result of RRSP programs. That is the kind of logic members of the Reform Party advance. They do not like to hear it, but RRSPs, those very programs they propose, would cost the government billions of dollars. They do now. Let us get serious.

Another thing that astounds me is when we talk about double standards, Reform is the party that said we must shun the parliamentary restaurant. I have been to the parliamentary restaurant and I have seen Reform colleagues there. These are the same people who said they would not go.

An hon. member: Name them.

Mr. Duhamel: I do not want to name them. I do not want to embarrass them. But if forced, I shall.

"We would never go to those lobbies at airports. That is just not for us". Sorry, folks, I have seen some there too.

(1310)

They have also said they are not flying executive class. Wrong again. They do. These are the same members that say they are going to take a cut in salaries. Of course some have, but many have not. That is a double standard.

When Canadians hear of that party doing that kind of thing, it will have no credibility. It has very little credibility today.

One of the members said this morning that if the current plan had continued that member would have received \$1.2 million, if that member lived long enough, but if it had been done through private investment it would have been roughly half of that, \$600,000. I stand here today hoping very much that I will be able to retire and receive \$600,000 over a lifetime. The way I figure it, I will be over 80 years old before that happens to me.

Those are the kinds of misleading statements that inflame the passions of Canadians. It is erroneous logic. They take one particular example and try to pretend that it belongs to everyone. That is the kind of nonsense we are facing here today. I am disappointed.

There is another example. A motion was proposed by the Reform Party to not have this bill go forward. Is that not somewhat contradictory? There are going to be changes made that are going to save Canadian taxpayers money, and that party wants to hoist it, stop it. If the Reform Party is so concerned about changes, let us go forward. Let us move. Let us go now.

This is the party that on a very serious matter called for quorum, knowing full well that there are members just behind the curtain who are having lunch. This is the kind of seriousness they apply to this debate.

This is the party that talks about opting out. It is not a question of opting out; it is a question of opting in. Members can opt in. The suggestion was that it was only available to Reform MPs. It is available to whoever chooses to do it out of the class of '93. Let us get with it. Let us deal with the facts.

I am pleased to observe that many colleagues spoke of the need for changes to the MP pension plan in the last Parliament, both here and outside of the House. I am delighted to note today that we are in fact going forward with Bill C-85, which delivers on the government's red book commitments to reform MP pensions to end double dipping and to set a minimum age at which pensions under the plan may be paid. Those were the promises that were made, but we did not stop there; we went beyond. In fact, Bill C-85 goes further than the red book commitments.

Of course that is not good enough for Reformers, because they want to exploit the situation. They would have exploited it even if it had been removed. They would have found something to say about it.

Government Orders

[*Translation*]

This bill will also reduce the pension benefit accrual rate under the MPs pension plan. In the future, instead of an average sessional indemnity of 5 per cent for each year of service, members will accrue benefits at a rate of 4 per cent of their average income over a 6-year period. That represents a 20 per cent reduction. But, of course, Reform members say this is nothing.

That 20 per cent reduction clearly shows the government's firm intention to cut spending, as well as the will of parliamentarians to make sacrifices like the rest of Canadians to help put our fiscal house in order.

I am proud to see that, once passed, the proposed amendments will result in a 33 per cent reduction of the cost, for taxpayers, of MP pensions. That 33 per cent reduction translates into savings of over \$3 million for 1995 alone.

I want to congratulate the Prime Minister, as well as the hon. member for York Centre and President of the Treasury Board, for their role in this respect.

The proposed legislation includes another important element. Some members objected to the fact that MPs' participation in the pension plan is compulsory. They suggested that, if allowed to do so, they would withdraw from the plan.

(1315)

The Prime Minister responded by promising MPs that they would be free to participate or not in the pension plan. Bill C-85 follows up on that commitment.

[*English*]

It is on the subject of optional participation in the pension plan that I wish to focus my remarks today. Hon. members have asked for that choice and will now be given it. It is a serious choice, with long term consequences, and I urge all hon. members to give the choice very careful consideration. In contemplating their decision, members should bear in mind the amendments of the bill will bring about features of the pension plan which some have found to be objectionable.

We are eliminating double dipping. Pensions based on future service will not be paid before a former member has reached 55 years of age. MP pension benefits are being pared down and taxpayers' costs will decrease significantly.

When Bill C-85 is given royal assent, a 60-day clock will start ticking; a 60-day period for passage of the bill within which members of the House will be able to make an option to continue their participation as pension plan members.

This is a one time opportunity. Hon. members who fail to sign and deliver their option to participate form within the 60-day time frame will cease to be pension plan members and their

contributions to the MP pension plan account will be refunded to them.

In a few minutes I will speak further of the consequences of discontinuing plan participation. Now I wish to concentrate on the process of maintaining membership under the plan. I am informed that administrative officials of the House will contact each member immediately following passage of this bill. Advice and information on the option process will be provided and each member will be furnished with an option form on which they may specify their interest in continuing pension plan membership.

Each member who wishes to stay under the pension plan must complete the option form and return it to the House administration within 60 days of the royal assent day. This is a critical deadline and must not be missed by any member who chooses to maintain their status as a member of the MP pension scheme.

Therefore, I caution hon. members they should ensure they receive their option form and complete and return it before the deadline if they wish to stay under the plan.

[*Translation*]

I will complete and return this option form. I will continue to participate in the MPs pension plan. I have a wife and three children, and I want to ensure their future in the best possible way. Given the comments he made outside this House, I know that the President of the Treasury Board will also choose to stay under the plan. That plan is just one element of the global compensation package for MPs.

I also wish to point out that, according to independent studies, that plan is not overly generous. I am of the opinion that all members of this House work very hard and put in long hours. They earn their pay. My colleague from Richelieu proved the point in his speech this morning when he made the comparison between us and other parliamentary jurisdictions in Canada.

Let us not forget that past governments have consistently promoted retirement savings. Retirement plans are an important part of retirement planning. These plans provide substantial protection for people against the unforeseen, such as death or infirmity.

Lastly, the financial protection of MPs' survivors in case of death should be a central consideration in their decision whether to opt out of a parliamentary pension.

In my case, if I did not complete my term, basically, if I died, my wife and family would receive 60 per cent of the pension to which I would have been entitled. Partners and children must not be forgotten.

(1320)

[*English*]

Notwithstanding the considerations which I have just outlined, I know there are members of the House who have

Government Orders

committed themselves to terminating their plan membership. Some of these members may already have other arrangements in place for their retirement and their survivors. Perhaps some are sufficiently wealthy that they need have no concern about their economic security or their family's in later years. There are some who will use their termination of plan membership as a political statement.

Whatever their reasons, I need to respect and I will respect their right to choose. The Prime Minister promised them the choice and now they will have it.

I hope hon. members planning to cease their participation in the MPs pension plan will consult with their families before making their final decision. This is a decision which will directly affect members' families as well as members themselves. Members should be aware of all of the consequences withdrawal from the pension plan will entail, particularly the consequences their choice will leave on their loved ones.

This will be a permanent choice. Those making a political statement with that choice will be bound by that statement. There will be no going back. Pension contributions will be refunded and periods of service in respect of which those refunds are paid or future periods where no contributions will have been made may never in future be counted under the pension plan.

Hon. members who fail to opt into the plan will remain as non-members for as long as they continue to serve in Parliament without a break in service. This will be the case whether they continue to serve in this honourable House or in the upper chamber.

[*Translation*]

I would once again advise MPs who are considering opting out of their pension plan to look carefully at the other pension vehicles available to them. They should also prepare for the unforeseen, such as infirmity, and consider the financial future of their survivors should they die.

If we were to sacrifice the coverage provided for under the parliamentary pension plan, what coverage would replace it and at what cost? We should all make an educated choice. I must insist that we cannot make such decisions without knowing beforehand all of the ramifications.

As I mentioned earlier, MPs who opt out of their pension plan will receive a full reimbursement of their contributions within 60 days of Bill C-85 receiving Royal Assent. I will take this opportunity to explain the terms and conditions of this refund.

[*English*]

For hon. members who joined the House for the first time at or after the beginning of this Parliament, on or after October 25,

1993, the process is quite straightforward. Members who fail to opt into the plan will be paid a refund of all of their pension contributions. For members with parliamentary service which occurred before October 25, 1993 the process is slightly more complicated. It depends on whether as of October 25, 1993 they were vested members under the pension plan.

To digress momentarily, under our pension plan a member of Parliament is considered to be a vested pension plan member upon completion of six years of service. Therefore when I speak of members who were vested as of October 25, 1993 I refer to those of my hon. colleagues who as of that date had been members for at least six years.

Under the bill a member who was not vested as of October 25, 1993, that is a member who did not have six years of service as of that date, and refrains from opting into the plan within the 60 days immediately following royal assent, will also be paid a refund of all of the pension contributions he or she has paid. This would include contributions made both before and after October 25, 1993.

If the member was vested as of October 25, 1993, the refund will be restricted to those pension contributions paid since that date. In this latter case, contributions paid for the six or more years of service which occurred prior to October 25, 1993 will be retained in the pension account to provide upon the member's eventual retirement from Parliament the vested pension benefit earned in respect of those years.

(1325)

[*Translation*]

And since our pension contributions are paid into two different accounts, I must digress again.

The last time the pension plan for parliamentarians was amended, this was done to comply with pension plan registration rules provided under the Income Tax Act. As of January 1, 1992, parliamentarians have contributed to the basic retirement account and to an account referred to as the Retirement Compensation Arrangements Account.

Contributions to the basic account will be used to pay retirement allowances earned pursuant to Part I of the Members of Parliament Retiring Allowances Act, in other words, that part of the pension plan for parliamentarians that complies with the tax provisions governing registered retirement plans.

As for contributions made to the Retirement Compensation Arrangements Account, pursuant to Part II of the Act, these will be used to pay that portion of retirement allowances earned under the plan which exceed the maximum allowed for registered plans under the Income Tax Act.

Government Orders

Here I would like to say, in passing, that all employers in Canada may offer their employees a non-registered supplementary retirement plan similar to the retirement compensation arrangement.

[*English*]

In instances where refunds of pension contributions are to be paid to plan members, all contributions paid before January 1, 1992 may, if the member so wishes, be rolled over on a tax exempt basis to another registered retirement vehicle such as the registered retirement savings plan. For the sake of precision that would be in respect of members who had service before October 25, 1993 but who were not vested as of that date together with 4 per cent of sessional indemnities paid to the basic account under part I of the act since January 1, 1992.

Members wishing to roll over the contributions to an RRSP should consult administrative officials of the House for information on the forms and the process for effecting such a transfer.

[*Translation*]

However, since the retirement compensation arrangement is not an RRSP instrument, contributions paid into the RCA account pursuant to Part II of the Act cannot be rolled over to an RRSP. Consequently, members who decide to opt out of the retirement plan will receive directly the amounts they had contributed since January 1, 1992 to the RCA account, in other words, 7 per cent of sessional indemnities. Refunds of contributions to the RCA account will be taxed at source as income, to be declared by the member as part of his taxable income for the year in which the refund was made.

There is one last point I would like to make. I would like to explain another consequence of a member's opting out of the retirement plan and the resulting refund of contributions. Every year, a so-called pension adjustment is calculated on the basis of our regular contributions, and this figure is then communicated to Revenue Canada. This amount reflects the value of the retirement benefits we have earned through our contributions in a given year. This pension adjustment is then used for tax purposes, to calculate our maximum annual RRSP contribution, if any.

However, and this will be my last comment, under the Income Tax Act, a member who elects to recover contributions paid into the pension plan for parliamentarians will not be able to recover RRSP contribution entitlements he could not use during those years when he contributed to the pension plan for parliamentarians.

I am sorry, I would have liked to add certain other things, but my time is up.

[*English*]

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Madam Speaker, I was very interested in the remarks of the member for St. Boniface.

It is really quite amazing the passion a member can arouse in himself when driven by unmitigated greed.

(1330)

I would take issue with some of the remarks he threw this way with respect to the consultation of families, for example. I think most people in this caucus consulted their families. They also consulted their constituents. The net result that obviously arose was that people said: "Thou shalt not steal". We are in this, and we are in it together.

The hon. member also made remarks about whether or not certain members of the Reform Party had given up this perk or that perk or had made certain sacrifices. I gave up my 10 per cent. That has nothing to do with this debate, nothing whatsoever. I occasionally eat in the parliamentary dining room. So what? I never said I would not. So what are they driving at? We are talking about a multimillion dollar rip-off of the Canadian public and the hon. member is talking about trash.

I would like to ask the hon. member, since he is so critical of others in saying what did you give up or what sacrifice have you made, what has the hon. member given up? What sacrifice has he made? Can he name one thing?

Mr. Duhamel: Madam Speaker, I should note to my hon. colleague that I am always passionate in debate. This is no exception. To suggest, which Reformers are often prone to do, that I became passionate about this subject because of a greed factor is really a low blow. I believe it is beyond a member's stature, or should be, in the House of Commons.

To suggest this is about thou shalt not steal, from the Bible, to invoke that in this debate, to suggest this is stealing, is below being low. And to use terms such as trough to try to excite the passions of people simply for political gain is even lower still.

When I mentioned the parliamentary restaurant, flying executive class, et cetera, why did I do that? Because that party is double-talk; that party pretends one thing and does other things.

That party is exploiting this issue—not all members, but some—because it has no issue. The polls are so bad that it virtually does not exist. That party's members are flailing about, trying to find something that will capture the imagination of people. That is the party which comes forward with a budget that has no sense at all, that is absolutely denounced by virtually anyone who knows anything about budgets.

Mr. Morrison: Name one.

Government Orders

Mr. Duhamel: Name one? I stood in this House and I mentioned at least a dozen credible sources that denounced that pretend budget, which did not even add up. This is why Reformers have no credibility.

That party tries to use in B.C. the aboriginal land claim situation in order to further its political agenda. It is the kind of party that will seize upon any issue in order to try to further its political agenda. It is not fair; it does not try to be fair. It did not listen to our colleague's comments from the Bloc when he set out the statistics and showed this particular reduction is an important one, which puts us in line with a number of other provincial legislatures.

Mr. Mills (Red Deer): How about Alberta? It is zero.

Mr. Duhamel: Oh, Alberta. Okay.

That party would not acknowledge that during the last three Parliaments almost 60 per cent of the MPs who were here are not receiving a pension today. That party pretends everybody is getting a large pension. If I were walking out today my pension would be in the \$19,000 range. If I were to die today, that would be one-third less for my wife and three kids. That is the kind of party that would like to see that kind of remuneration. I have no time for that.

An hon. member: Can you not look after yourself?

The Acting Speaker (Mrs. Maheu): Order. I would like to request that the House take a little time and think about some of the comments being made to colleagues. It is a very emotional issue for a lot of us. I think we have to stop and think before we fling comments back and forth across this House.

(1335)

Mr. Charlie Penson (Peace River, Ref.): Madam Speaker, today we are here to debate an act to amend the Members of Parliament Retiring Allowances Act. Canadians know this as the MP pension plan. That is what we are really talking about today. I am happy to rise and make some comments about the MP pension plan that is being introduced.

Unfortunately, it is not as good as the model that was brought forward by the President of the Treasury Board in December. But he was not able to sell that plan to his Liberal caucus, and now we see the results: an MPs' pension plan that is being introduced today that is still obscene because it is twice as rich as any public sector or private sector pension plan.

During the run up to the election of 1993, when I was seeking the nomination and I was out campaigning I heard from my constituents in Peace River over and over and over again on this. It was the issue that captured my attention and the attention of all other politicians from all other parties who were campaigning there. They heard from the Canadian public and the public in

Peace River that MPs have a pension plan that is a double standard with what most Canadians can receive, either in the public or private sector.

That to me has developed a very cynical electorate out there. There were a number of new members elected to the House in the election. One reason they were elected is because the public is very cynical about politicians. This used to be a noble calling. That is not the way the Canadian public regards it any more.

I have to tell members a story about one of the first meetings I attended as a politician after my nomination. It said a lot about how people regard politicians and politics and the reason for it. I was speaking at a small community meeting of about 40 people. I had spoken for about 10 or 15 minutes and then we stopped to have coffee. I was circulating and talking to different members of the audience. One fellow about 75 years old, a rancher type who had spent a lot of time outdoors, a weathered and very interesting fellow, came up to me and we had a very interesting conversation for about four or five minutes. Finally, he was going to take his leave and wish me well and say goodbye. The comments he made I thought were very relevant. He said: "You know, Charlie, I wish I had met you before you went into politics. I think I would have liked you".

That says a lot about how people regard politicians these days. One reason for that degree of cynicism about politicians is that they see we have double standards. The double standard that is most obvious, I believe, is the MP pension plan.

During the course of the campaign I think I heard only one comment about MPs' salaries. It was not an issue. People think that MPs should be paid well. But they do not believe they should get a pension plan that is five or six times more generous than that of the average person in the public. And that is what we are addressing here today.

This pension plan is a step in the right direction. Like so much of the legislation the party across brings forward, this is a step in the right direction but it is not far enough.

An hon. member: It is a small step.

Mr. Penson: I think we have to examine the past plan. Let us do a comparison. As I said, we only had to be in the House for two terms or six years to be eligible for the MP pension plan under the previous plan, which is five or six times more generous than the average Canadian private sector or public sector plan.

So what is introduced in the new pension plan, the one that is going to correct the problem? We have a pension plan where we are still eligible at age 55. That does not seem to fit with most public and private plans. It certainly is not the case with the old age security. In fact, we are talking about moving that to age 67, since the plan cannot be sustained.

Government Orders

What else do we have? We still have a plan that is two and a half or three times more generous than the average public or private sector plan. It does not fit. It is not acceptable.

What about the future? We know there is an opting out formula in the plan of 60 days for those members who wish to opt out. I am one of the members who wants to, and I certainly will. But that will not apply to future MPs. They do not have that option. Why not? It would seem to me it is a reasonable option to put in there. Anybody who wants to look after their own retirement should be able to do so, but not under this plan as far as future MPs are concerned. They will be obliged to belong. There again is a problem.

(1340)

We had the minister and some other members stand in this House this morning trying to justify the new plan that is being brought forward. As I said, there are many reasons why the Canadian public is not going to accept this.

All of this is happening at a time when politicians need to show strong leadership in this country. It is a time when we have a record federal debt: \$550 billion and growing at the rate of \$120 million a day. It is time for MPs to stand up and show leadership. What would that mean? It would mean accepting a plan that is the average of what most Canadians have. Is that too much to expect from leadership in this country? I do not believe it is.

We have Canada's official loyal opposition—what do those members intend to do with this plan? It seems very ironic that those members, with the expressed goal of wanting to opt out of Canada, as they tell us every day in this House, want to opt into the new MPs' pension plan. I do not understand the logic. It must mean that they plan on staying longer than they originally had intended. It seems to me that is a real contradiction. I cannot understand why they would not want to take the opt out formula along with the rest of us in the Reform Party.

Mr. Williams: They want to opt out of the country but stay in the pension plan.

Mr. Penon: Let us examine the rhetoric from this side of the House when the members who are over on the government side now were over here. We had the famous rat pack. I think we all know who they are. They enjoy some of the front benches over there now. What did they say? They called for a change to the MP pension plan. My understanding is that when the President of the Treasury Board brought in what was a reasonable plan in December to the Liberal caucus, they were the ones who led the charge against it. So the rat pack it seems has become the fat cat pack these days. We see this every day.

Who is going to be the judge of this MP pension plan? It is not me as the member for Peace River, in the final analysis. It is not

going to be the member for St. Boniface. It is going to be the Canadian public, the voters, our constituents.

The member for St. Boniface said that we should carefully consider and consult our family members when and if we decide to opt out. He would seem to suggest that we have not been doing that. Well I do not believe that other members of the Reform Party caucus did not consult their families. I know I certainly did, and it was a joint decision. However, it becomes more than consulting family. I also consulted constituents. I have been doing it for a long time. And constituents tell us that this plan is still far too generous.

The member also seemed to lump the business of pay and salary into the MP pension plan. It is all part and parcel as far as he is concerned. I do not believe it is. I believe that if we have a problem or we do not believe the pay is high enough for a member of Parliament, we should deal with that issue up front and involve the Canadian public in that discussion. This is a separate matter altogether, and it has to be dealt with that way.

The member for St. Boniface also talked about the RRSP. He suggested that the Canadian taxpayer would be on the hook for more money through a loss in taxes if we went the route of all members opting out and using the RRSP. There is certainly some merit in what he says, but it is not making special rules; it is following rules under the RRSP program that other Canadians are under. So we are all in the same category. That is talking about having the same standard for everybody.

I know that many members of our caucus intend to use that route once we are able to access our money that is being currently collected under the MP pension plan, the 11 per cent that is being deducted, to put it into RRSPs. Many of us have been doing that for a long time. I think it shows leadership in the fact that we are willing to look after our own retirement. That is what a lot of Canadians are going to have to do in the future, because the old age security plan and Canada pension plan are not sustainable. The reason they are not sustainable is that this country is in very serious financial problems.

I know the Minister of Finance recognized that to some degree in his budget when he suggested that we need to cut \$4 billion in services to Canadians. He also said we should raise a billion dollars in taxes. It was very interesting that in doing so we would almost expect the federal budget for this year to be decreased by \$5 billion, the amount of those cuts and the extra money that is being raised. In fact, the budget is going to be higher by almost half a billion dollars. Why is that? It is because the interest on the debt is starting to be a very serious problem in this country. It is taking a larger and larger portion of our government budget.

(1345)

It is eating into those necessary services we are talking about, both the Canada pension plan and old age security. We need to encourage people to look after themselves through their own retirement savings. That does not mean the Government of

Government Orders

Canada is doing it for them, such as the MPs. It means that they look after themselves through RRSPs and any other private plan they can put in place.

I am going to wrap up here. To me, the most important thing is that the Canadian public will be the final judge of this plan. If cautions are going to be issued by members across the way in regard to the seriousness of opting out, we should also be cognizant that the Canadian public is watching very closely what is happening in this Chamber today during this debate on the MPs pension plan.

The public wants a plan that is reasonable, that is consistent with national standards for both the public and private sectors, not anything MPs give themselves over and above what is the norm in Canadian society. The public will be the final judge next election day. I throw that out as a caution to members opposite.

Mr. John Harvard (Winnipeg St. James, Lib.): Madam Speaker, it is always difficult to speak on a subject like this, especially if you try to defend the pension plan for members of Parliament. Your adversaries will always try to paint you as being self-serving.

I have been in opposition. I know it is very easy for members of the Reform Party to stand and accuse anyone who might defend any elements of the pension plan as being self-serving and greedy. It does not take any bravery on their part to say the outrageous things they have said.

The previous speaker just said that political life at one time was seen in a good light, that it was a noble calling, but not any more. I wonder why. It is because people from the political right, members of the Reform Party have made it their calling day in and day out, month in and month out, year in and year out to go around and say how bad politicians are, how bad this institution is, how bad democracy is. It is little wonder when a band of people like that goes around this country year in and year out bad mouthing this institution that some Canadians say: "Gee, I guess it is true".

Mr. Hermanson: It is true.

Mr. Harvard: It is a sad comment.

Mr. Hermanson: That is why they sent us here. You guys are never here.

Mr. Harvard: Do you want to listen to me or not?

Mr. Hermanson: It is because of you guys that we are here.

The Acting Speaker (Mrs. Maheu): Order. It is unfortunate that the level of emotion remains extremely high. I ask you once again to remember that we are in the House of Commons. We

have a high level of integrity toward one another. May I ask that we maintain a certain level of decorum.

Mr. Harvard: Madam Speaker, it is easy to attack the political profession. There are a lot of good people in this institution. I do not know the people from the Reform Party very well but I suspect there are some very good people over there as well. How can we move forward when people over and over again do everything they can to besmirch the political profession?

There is one other point that I want to make. Members of the Reform Party constantly chant this line that the MPs pension plan is twice what is found in other sectors, particularly in the private sector. They never talk about the need for a package of remuneration for MPs.

(1350)

If MPs had a normal career, if MPs started at age 22 or 23 and were in their profession for 30 to 40 years, do we really think their pension plan would have to be much different from those in other sectors? Of course not.

Why is our plan different? It is because most of us come to this career in our forties. For example, take someone who is in their forties. They have a family. They have children in school, perhaps in university. For them to come into public life we want them to give up their careers. We want them to give up their private pension plan. When they come into public life we want them to take all the risks and absolutely nothing will be done on the part of the Canadian government to assuage or mitigate the risk that they face.

When banks arrive at loan rates they take risks into account. The Canadian public must do the same. I am trying to put the pension plan in context. This is the thing they never do. The member who just spoke should reflect on the points I have made and should stop bad mouthing this profession. This life is difficult enough without the kinds of contributions we get from those people over there.

Mr. Penson: Madam Speaker, one of the comments by the member for Winnipeg—St. James was that year in and year out he has heard the Reform Party being cynical and talking about how bad politicians are in this country. It seems to me that we have not been around for all that long, but the Canadian public has had some cynicism with regard to politicians for quite a while. Probably a lot of that was during the time he was on this side of the House.

The hon. member has a reputation for being one of the worst members in terms of attack, yet he is talking about the Reform Party. We hear personal attacks every day from him. I think he is totally out of line.

If he did not want to run for office, nobody forced him. He can retire.

Mr. Peter Adams (Peterborough, Lib.): Madam Speaker, I am very pleased to have this opportunity to speak to Bill C-85 dealing with MPs pensions.

I am particularly pleased because it was the very first topic I addressed after I was elected, and the first time that I was in caucus. I am a strong supporter of reform of MPs pensions. I am a strong supporter of the red book commitments to that reform. I am also a strong believer in the fact that what MPs do is extremely important in a symbolic sense. It is very important that we lead by example.

I want to speak principally today to the particularly stringent double dipping components of this legislation. They are much more stringent than I had envisaged when I first read the red book.

Before I do that I would like to say that to me, one of the most critical things in giving some order to the MPs pension plan was to establish an age of retirement. It seems to me that no pension plan can be fully financially viable unless it has a fixed age of retirement. We cannot calculate, for example, how many MPs might retire at 25 or 30 or something like that. Therefore, it is critical for the financial viability of this plan that there be a reasonable retirement age.

(1355)

I personally favour 65 as the retirement age. That is the normal retirement age for the Canada pension plan. I realize that in many occupations there are earlier retirement ages, and I realize that under some circumstances a person can draw CPP benefits before the age of 65. I feel that 65 is the most appropriate age for this plan.

The establishment of 55 as a fixed age of retirement, as a fixed age at which a member of Parliament can draw this pension, is a huge step forward in giving the plan financial viability. I am very pleased that has been done.

I also support the slower rates of accrual of the pension. The accrual results in a 20 per cent saving. It is important that the cost of this plan to the taxpayer be reduced.

During the debate on double dipping it was pointed out that strong pension plans are a normal feature of employment in government service, whether that government service be at the local level, the provincial level or the federal level. It was often pointed out for example, that the military has a very strong pension plan which is designed to enable its members to retire early.

It appears that re-employment of public service employees by the government after they have taken an early retirement is quite common. During the debate on double dipping it was pointed out that people in the public service everywhere have the opportunity of going back to work in the area from which they retired if there is a suitable vacancy. I do not want to open the entire

question now, but I must say that I have some sympathy with that.

The Speaker: My colleague, of course, will have the floor immediately following question period.

It being two o'clock, pursuant to Standing Order 30(5), we will now proceed to statements by members.

STATEMENTS BY MEMBERS

[English]

ELSPETH HOGG

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I rise in the House today to congratulate Elspeth Hogg of Utterson in my riding of Parry Sound—Muskoka. Mrs. Hogg has been selected as one of just 23 recipients of the 1995 Canada volunteer award medal and certificate of honour for her contributions to her community.

Mrs. Hogg is recognized for serving on the first board of the Muskoka Women's Advocacy Group and for serving as chair from 1984 to 1989. She is credited as instrumental in the establishment of Muskoka Interval House, a much needed women's shelter, and for recruiting countless volunteers and donors of supplies.

In addition to this work, Mrs. Hogg served the Elizabeth Fry Society, the Hospital for Sick Children, the YWCA and the Boy Scouts as well as volunteering on boards such as the Canadian Corrections Association and the Canadian Mental Health Association.

I wholeheartedly congratulate Mrs. Hogg for her tremendous achievement and for giving so freely of herself. We are all very proud.

* * *

[Translation]

ATLANTIC GROUND FISH STRATEGY

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, clearly, the Minister of Human Resources Development has lost control of the Atlantic Groundfish Strategy. Not only is this strategy not creating jobs, but it is encouraging workers to quit their jobs to take advantage of the benefits of the program.

Processing plants are complaining about the departure of a number of their employees and of the costs this entails. The minister prefers to stick his head in the sand and continue extolling the virtues of his program. The representatives of the fishermen even came to Ottawa last week to complain about the program's ineffectiveness.

The minister must recognize that his program is not working, that he is gobbling up billions and that the federal government on its own is incapable of resolving the Atlantic fishing crisis.

S. O. 31

[English]

TAXATION

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, millions of Canadians have just completed their income tax returns for yet another year. Every year families and individuals go through the tortuous process of calculating and completing their returns in a diligent and timely manner. The process has become so complex that millions are now frustrated by the exercise.

Recently I received a call from a retired constituent who has become so frustrated that he has finally had to enlist the help of a tax professional to prepare his return.

This practice is far from unique. Increasing numbers of Canadians seek outside assistance as they battle the ever increasing complexities of our national revenue labyrinth.

Why should taxpayers, already at the limit of their tax tolerance, have to pay additional moneys for assistance in filing their tax returns?

There is an urgent need to simplify the tax system. Reform's flat tax would do just that. It is fair, efficient, equitable, and would greatly ease the burden of the long suffering taxpayers of Canada.

* * *

INDIA

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.): Mr. Speaker, during the recent Easter break I had the privilege of visiting India to meet with various senior government officials.

India is a country that is growing rapidly. The economic development that I personally witnessed was phenomenal. The economy is booming at an extraordinary rate of 8 per cent per year. India is rapidly becoming an economic tiger of all developing countries.

Throughout my meetings with cabinet ministers of the Indian government and the chief ministers of several important provinces the discussion always centred on developing closer trade ties between Canada and India. Canadian expertise and technology combined with India's pool of manpower would create tremendous job opportunities for both countries.

This desire was not only expressed by senior politicians but by industrialists I had the pleasure to meet with as well. The interest is there, and I call on the government to work diligently toward developing an increased trade level with India. There are limitless opportunities and there can be no doubt that both countries will greatly benefit.

ELIZABETH FRY WEEK

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, tomorrow national Elizabeth Fry Week is being launched on Parliament Hill. It takes place every year, the week preceding Mother's Day, to acknowledge the fact that the majority of Canadian women who come into conflict with the law are mothers.

This year the week's theme is alternatives to incarceration, focusing on new avenues in corrections for women and working to enhance public awareness and education regarding the circumstances of women involved in the criminal justice system.

Most women at the time of their incarceration are the sole supporters of their families. When mothers are sentenced to prison their children are sentenced to separation. Elizabeth Fry Week ends on Mother's Day to draw attention to this reality.

Let us show our support for the hard work of the volunteers and employees of the Canadian Association of Elizabeth Fry Societies. We are welcome to the Commonwealth Room tomorrow between 9 and 5 to talk about these important issues.

I thank the volunteers for their dedication to justice in Canada.

* * *

NUCLEARNON-PROLIFERATION TREATY

Mr. Jesse Flis (Parkdale—High Park, Lib.): Mr. Speaker, over 160 nations are currently meeting at the United Nations in New York to decide the fate of the most important international arms control agreement in force today, the nuclear non-proliferation treaty, the NPT.

Canada supports the indefinite unconditional extension of the treaty for three essential reasons. First, the NPT establishes a barrier to the further proliferation of nuclear weapons. Second, the treaty provides the framework for peaceful trade in nuclear technology by establishing a system of effective international safeguards. Third, the treaty commits the nuclear weapons states to work toward nuclear disarmament.

Those who argue that the NPT should not be made permanent keep open the possibility of its disappearance at some future point. This must not happen. We are now firmly on the road to a world with fewer nuclear weapons.

On Friday, Canada will table the resolution, joined by more than 80 nations, for the indefinite extension of the NPT. The treaty has served us well for 25 years. Now is the time to permanently enshrine the benefits for future generations.

1939 CASINO BAND

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, I rise today to salute members of the 1939 Casino Band of Stratford, Ontario.

Band members have enriched the lives of citizens for five decades with their musical talent. These musicians originally played for community dances in the 1940s but now perform voluntarily for events throughout my riding.

The band can frequently be found performing at hospitals, nursing homes and various community events, including the Stratford Festival's annual garden party. For the past two summers the band has performed afloat on the Avon River for thousands of tourists who visit Stratford.

These men should be commended for bringing such musical delight to our community. Not only is it one of the most talented jazz bands in Ontario but it is one of the most kind spirited.

The members of the 1939 Casino Band include Jack Hayter, Jack Smith, Mervin Doerr, Robert Hayter, Bill Fowler, Walter Gladding and Andy Munroe.

I wish band members many more years of music and laughter together.

* * *

(1405)

[Translation]

NATIONAL MARINE STRATEGY

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, yesterday, the Standing Committee on Transport submitted its report on the national marine strategy. Disregarding the principles of caution and prevention with respect to the environment, the committee questioned compulsory pilotage, particularly in the St. Lawrence and in the Seaway.

This proposal is contrary to the worldwide trend to expanding pilotage areas and raising safety standards. A catastrophe like that of the *Exxon Valdez* would be an environmental disaster for the St. Lawrence River and the Great Lakes.

The Liberal majority on the Standing Committee on Transport, with its concern for cost cuts and free competition, has completely set aside environmental concerns. We hope that the Minister of the Environment will use her influence with the Minister of Transport to ensure his decisions reflect the principle of sustainable development.

[English]

RIGHTS OF GRANDPARENTS

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, sometimes in our lives we are given the opportunity to help those who have spent their lives helping us, those who have worked hard, paid their taxes regularly and have been responsible Canadian citizens. Many of them fought in the second world war and risked their lives for each one of us to live in peace.

These law-abiding citizens have paid their way. We have our health programs, UIC, workers' compensation and good working conditions today because this group of Canadians worked for them.

We, the MPs of the 35th Parliament, have the opportunity to do what our constituents sent us here to do: to work together for the good of Canadians. I am speaking of an issue which is of importance to all our constituents, many of whom will be closely watching the results of our vote. It is a non-partisan issue, a Canadian issue.

Please help me to give our Canadian children the opportunity to see and visit with their grandparents. I ask for support on Bill C-232.

* * *

CANADIAN NATIONAL RAILWAY

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, it is bad enough that the Liberal government is planning to privatize rather than rebuild and enhance the services of Canadian National Railway, but now we learn that the shameful privatization initiative will not have any foreign ownership limits imposed upon it.

This obviously opens the doors for American ownership and control over our national railway, which until now has been the main economic link between eastern and western Canada and which has been a critically important player in the transport of grain to export positions.

If Canadians lose control of this vital component of our transportation infrastructure, we will be forced by default to allow such things as a continental grain market, which in turn will lead to the demise of the Canadian Wheat Board, another Canadian institution worth fighting for.

It appears the Liberals want to get rid of CN so badly that they are willing to sacrifice important and economically beneficial pieces of national identity. I call on the government to reconsider any rail line privatization plans, especially ones that do not limit foreign ownership.

S. O. 31

MENTAL HEALTH WEEK

Ms. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, mens sano in sano corporae. Everyone remembers the old saying, a healthy mind within a healthy body.

Today I would like to reverse the phrase. Without a healthy mind the body will not thrive. That is why I inform the House that this week is Mental Health Week.

During this week the Canadian Mental Health Association sponsors events across Canada to raise public awareness of mental health issues, to reduce the stigma of mental illness, and to encourage the acceptance of those who suffer from them. Health Canada supports the Canadian Mental Health Association through its grants to national voluntary health organizations.

The theme of this year's campaign is social support. There is no denying that positive interaction among family members, friends and co-workers will help to prevent both mental and physical illness.

This year the Canadian Mental Health Association is highlighting social support relating to stress, youth, physical health, the workplace and special needs in rural areas.

I hope members of the House will work with the Canadian Mental Health Association to make this week a success so we can all have healthy minds and healthy bodies.

* * *

VE DAY

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, it was 50 years ago that people around the world began celebrating the end of the long years of World War II. For Canadian soldiers, sailors, air crew, nurses, the merchant marine and all who served in the frontlines in northwest Europe, Italy, Sicily and Hong Kong, VE day ensured liberty for future generations.

(1410)

We are proud of these people and of all Canadians at home who contributed so much in support of the war effort. In Etobicoke—Lakeshore we take special pride in the efforts and sacrifices of the men and women of our community and over coming months will recognize the value of their contribution.

We are proud also to see our Prime Minister representing Canada overseas as many countries come together to commemorate VE day and to honour those who lost their lives in war. The message the Prime Minister brings in 1995 is that Canadians treasure peace as much as they did in 1945.

I thank the many Canadians who struggled to give us the ultimate gift of freedom.

[Translation]

MONTREAL ECONOMY

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, yesterday, the Quebec minister responsible for restructuring released the findings of a study on the impact that separation would have on companies with head offices in Quebec.

The main finding is that 5,000 jobs currently located in these head offices could be moved out of the province if Quebec became independent. Once again, Montreal would be the hardest hit, since most corporate head offices are located in that region.

As the study shows, Quebec's independence would be extremely costly to Montreal's economy. Quebecers are fed up with these studies, these tricks and these U-turns.

The Pequiste government must stop causing this job drain with its obsession to achieve independence, and instead help us revitalize the economy.

* * *

QUEBEC SOVEREIGNTY

Mr. Laurent Lavigne (Beauharnois—Salaberry, BQ): Mr. Speaker, yesterday, before a partisan audience, the Prime Minister claimed to be convinced that the No camp would win the Quebec referendum, adding that he would continue to hold out his hand to the Quebec premier and ask him to join Team Canada.

However, since he took office, the Prime Minister keeps saying no to Quebec's legitimate demands. He closed the military college in Saint-Jean and he still refuses to approve a conversion program for the defence industry. His ministers also rejected MIL Davie's recovery plan, and his government refuses to withdraw from the manpower sector, in spite of the plea made by all those concerned in Quebec. And now the Prime Minister is tabling a bill designed to impose Canadian standards in areas under provincial jurisdiction. Quebec will not make the mistake of voting No at the referendum.

* * *

[English]

TAXPAYERS PROTECTION ACT

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, nations around the world recognize that to preserve civil liberties there must be limits on governmental powers, including those of spending and deficits.

A growing number of provincial governments have balanced budget laws. We Reformers now urge the application of similar restraints at the federal level. We are proposing the adoption of a

Oral Questions

taxpayers protection act which compels future governments to balance the budget every year.

The act will have sharp teeth. Members of any government that runs a deficit would face pay cuts of up to 30 per cent and a 75 per cent majority of Parliament would be required to override the provisions.

Canadians have long supported limits that prevent a governmental attack on individual freedoms. It is now time to limit government attacks on individual wallets. This is why we are proposing a taxpayers protection act as an economic bill of rights for beleaguered Canadian taxpayers.

* * *

[Translation]

FRENCH AS LANGUAGE OF WORK

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, yesterday, Le Conseil de la langue française made public a study on language of work indicators in Quebec.

I am pleased at the progress French has made as language of work in Quebec. The report reveals that, among other things, in 1991, over 67 per cent of senior jobs were occupied by francophones. The percentage of bilingual anglophones in Montreal has increased from 45 per cent in 1971 to 68 per cent in 1986.

All of this clearly indicates that the French fact is established in Quebec in all spheres of activity and that francophones, like anglophones, now have access to all the top jobs.

The study by Le Conseil de la langue française confirms what we have known for decades: it is possible to live and to succeed in a united Canada.

* * *

[English]

KENT STATE

Ms. Mary Clancy (Halifax, Lib.): Mr. Speaker, 25 years ago today on a beautiful May morning a young woman put a daisy in the barrel of a national guardsman's gun. A few moments later, nine young men and women lay dead. With them died the dream of peace of the sixties generation.

(1415)

Kent State's tragedy brought the Vietnam conflict home to the United States, but at the same time it pointed out a great difference between the cultures of Canada and the U.S. That same week thousands of young Canadians graduated from universities and the joy of our success was tempered by the tragedy in Ohio.

In our contemplation then as now, we were grateful for our kinder, gentler nation. We still are. For many of the sixties

generation who now serve here, we pay tribute to those fallen youth by promising to stand forever on guard for tolerance.

ORAL QUESTION PERIOD

[Translation]

INTERPROVINCIAL TRADE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, with Bill C-88, the Agreement on Internal Trade Implementation Act, the government is acting as though it is eager to impose sanctions in the case of trade disputes between two provinces. The bill provides that the federal government may cut off transfer payments and suspend subsidies to any province that fails to comply with the internal trade agreement.

Would the Minister of Industry confirm that with the powers the federal government has assumed pursuant to Bill C-88, it will be able to suspend or reduce any contribution for social programs financing in the case of a province that does not comply with the agreement on internal trade?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I could go along with the hon. member's suggestion, but the answer is no.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, if we read subclause 9(d), that is what it says. Since that is not the government's intention, I would like to ask the Minister of Industry whether he could make a clear commitment to amend the bill so as to exclude retaliatory measures in the form of suspending or reducing transfer payments for social programs financing in the case of a province that did not comply with the agreement.

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I think the bill is quite clear. It concerns only the amendments required in federal jurisdictions to ensure that our statutes reflect our obligations under the agreement on internal trade.

If the Bloc wishes to propose amendments, it will be able to do so in the course of the parliamentary process.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I want to make this very clear. This week, when we were discussing cuts in social transfers, the Minister of Finance rose in the House and said that they were going to change the bill, that it is not what they wanted to do, although that is what it says in the bill.

Today, the Minister of Industry tells us they do not want to cut social transfers to the provinces, although that is what it says.

Would the minister agree that the retaliatory measures provided in Bill C-88 are so broad that they would allow the federal government to interfere in disputes that are, first and foremost, a matter between two provinces, disputes that are none of its

Oral Questions

business, so that the federal government would be able to cut social transfers to the provinces as a retaliatory measure?

[English]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I want to make very clear what the federal government's position has been throughout the negotiations last year on the internal trade agreement and as we bring forward the legislation which will implement that agreement with respect to the federal level.

We have entirely and totally pursued a process which is consensual. All 10 provinces signed the accord last July 18. The new Government of Quebec stressed at the one meeting which has been held since the most recent Quebec election that it is fully supportive of the internal trade agreement.

(1420)

This has been a process in which some have criticized the federal government for not using powers which it is said we might have. The fact is we prefer to see the regulation of internal trade, interprovincial trade, affected by agreement among the partners to Confederation. That is why we signed an internal trade agreement. That is the policy of the government and there is no further clarification required.

* * *

[Translation]

EMPLOYMENT CENTRES

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

In a document dated March 23, the Department of Human Resources Development brings into question all programs and services provided to the unemployed, notably by closing down many employment centres in Quebec and Canada.

Does the Minister of Human Resources Development confirm his department's intention to reduce direct services to the unemployed, and is this a new, concrete initiative by the federal government to fight poverty?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): On the contrary, Mr. Speaker. In fact, we established a new program that will provide direct services to many unemployed workers across Canada. It is very important that the Department of Human Resources Development reform the unemployment insurance system.

I want to assure the hon. member and all her colleagues that the reason behind the important changes resulting from the reform was to provide more effective and advanced services to

the unemployed, and particularly to foster co-operation among all stakeholders, including unions, business people, provinces and municipalities, in order to fight unemployment and poverty.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I think it is important for the minister to understand that we know about a project that will considerably reduce the number of employment centres throughout Canada and Quebec. We also know that there will be major layoffs in late May and that many places will have to make do with automated job banks.

Does the Minister of Human Resources Development admit that unemployed workers outside the major centres will be the main victims of this reduction in services, as many of them will no longer have access to expert staff and will have to make do with machines?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the hon. member is getting highly agitated over a decision that has not yet been made. She has built in all kinds of assertions, assumptions, propositions, hypotheses, none of which she can bear out by any fact.

The reality is that of course we are reorganizing. With the advent of new technologies by which we can share information much more effectively between centres, by decentralizing our programs so that we can work in partnership with local groups and not have to deliver through central bureaucracies we believe we can achieve a much more effective delivery of services to the people who need them.

I am surprised. Here is an hon. member who in the past has given us grand declarations about the need to devolve and decentralize to community control and community operations. We are doing it and now she is complaining.

* * *

ATLANTIC GROUND FISH STRATEGY

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, according to National Sea Products, 25 of its fish processing workers have left full time jobs for assistance under the Atlantic groundfish strategy. That is TAGS, the government's \$1.9 billion temporary aid package for unemployed fishermen and unemployed plant workers. National Sea alerted the human resources development department of this development on February 16 but has yet to receive a response from the federal government.

My question for the minister is: How many of the 25 National Sea Products employees in Lunenburg were accepted into TAGS and what is the minister's response to this unsettling development?

Oral Questions

(1425)

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I thank the hon. member for the question. Let there be no misunderstanding. Those who voluntarily quit their jobs are not eligible for TAGS. If they do so, I will disqualify them immediately.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the bottom line is that it would appear easier to qualify for assistance under TAGS than it is for unemployment insurance in Atlantic Canada. The fisheries workers with full time jobs are being induced to leave gainful private sector employment to take a chance on the government sponsored TAGS lottery. This effect is precisely the opposite of what TAGS was supposed to deliver.

What is the minister's explanation for how this program, after all the time and thought that was supposedly given to it, could be having precisely the opposite effect of what was intended?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the hon. member's question would be greatly helped if he knew something about the program and did not simply get his information from the front page of a central Canada newspaper.

Up to the first nine months of operations we have received over 52,000 applications. Thirteen thousand have been rejected because they were not eligible. It is not an easy get-on. Applicants must demonstrate a long term attachment to the fishery, which is a very clear requirement. They have to have actual weeks of employment in the fishery to determine it. If there are other criteria that are objected to, we will not accept it.

I have just told the hon. member that I will not accept abuse of the program. If anyone tries to get around the rules and tries to apply for TAGS when they are not eligible, I will disqualify them from the program. If the hon. member has any actual information, I would be glad to receive it.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, if the minister's statements are accurate, one wonders how this program can already be \$400 million underfunded because the demand is higher than what was expected. When this program was announced, the minister said it would serve as a test case for the government's new approach to social assistance from dependence on government to independence through training.

Price Waterhouse and now National Sea Products have provided evidence that this Ottawa originated social megaproject approach to unemployment simply does not work. The minister has been listening to the voices of 1960s Liberals and tired old bureaucrats when he should have been listening to the people of

Atlantic Canada and to fresh thinking on social and economic development.

Given the problem identified by National Sea Products and given the advice by the government's own paid consultants, will the minister commit to rethinking completely his entire approach to the social and economic crisis in Atlantic Canada?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, this question comes from an hon. member whose party just recently put out a statement that it would eliminate about \$12 billion from social programs. That would force most of the people in Atlantic Canada into abject and utter poverty.

The program has been in place for nine months. In that nine months we have received 52,000 applications; 40,000 people have been processed; 26,000 have been given basic benefits; 15,000 are on well-designed training programs; and over 1,000 are working on conservation resource projects. This is in the first nine months.

We do not deny it was an enormous and difficult task to try to rescue an entire industry that has collapsed in that region, but at least we are trying. We are working with the people of Atlantic Canada. We are relying on their resourcefulness, not the kind of negative 18th century thinking of the hon. member.

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*[Translation]***CANADIAN ARMED FORCES**

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, my question is for the Minister of National Defence.

In this House yesterday, in answer to my question regarding Colonel Oehring's report, the Minister of National Defence claimed that he had already answered the same question in reply to the Reform Party. Once again, the minister was mistaken. The Reform Party was concerned with Brigadier-General Jeffries' report, while I was concerned with the Oehring report, which stated that military personnel were consulting chaplains and psychiatrists more often and that a lack of leadership had resulted in an increase in the number of suicides.

(1430)

How can the minister so casually dismiss this consequential report, confusing it with another?

[English]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, perhaps the hon. member should go back a little further in the record. This report was made public some time last fall.

Oral Questions

I know the member for Saanich—Gulf Islands, the Reform critic, referred to this in the House. I did address those concerns either in question period or in debate. That does not mean to say we minimize some of the concerns in Colonel Oehring's report, which was not scientific but which did outline some of the difficult problems faced by members of the Canadian Armed Forces.

[Translation]

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, it is unlikely that this was discussed last autumn, because Colonel Oehring's report was only issued in December 1994 while the Reform Party's questions date back to March 15, 1995.

Will the minister admit that, in this report, of which he was obviously unaware yesterday and still is today, one of his colonels states that one of the problems facing the armed forces is that the minister is not fulfilling his responsibilities?

[English]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, not to argue about specific terms, but when one talks about fall in this country it usually ends December 21, the first day of winter.

The report was unscientific, some findings by a colonel who had some concerns about problems of morale in the forces. It was made available to the commander of land forces. We have looked at it. Some of the concerns are being addressed, as are the concerns addressed by Brigadier-General Jeffries in his memo.

* * *

MEMBERS OF PARLIAMENT PENSIONS

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, Canadians will not be fooled by the government's half hearted attempt at MP pension reform because really nothing has changed.

MPs pensions will still be unacceptably high and Canadians will still be forced to top up the trough to the tune of \$7 million annually.

The President of the Treasury Board said these changes will save taxpayers over \$3 million a year. That would just about cover the Deputy Prime Minister's pension under the new plan.

Why did the government not replace the entire MP pension scheme with a more realistic private plan such as others live with outside these walls?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the bill is being dealt with during debate but I categorically reject the statement of the hon. member that I will not be covered under the new plan. I will be covered under the new plan.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, that was my point. She is covered under the new plan and apparently seems to be proud of it.

The government has released me from its obscenely lavish pension plan. I am no longer trapped at the trough but I would like to take a few members of the class of '88 with me because they are also able to opt out.

Not only has the government allowed me but has also allowed anyone who was elected in the class of '88 to opt out. That means the ministers of finance, health, transport and industry can all take their trotters out of the trough, hold their snouts high and opt out—

Some hon. members: Oh, oh.

The Speaker: Of course the Chair will grant virtually as much latitude as it can in the questions. The hon. member realizes today the bill on MP pensions is under discussion. I am trying to hear the question. The preamble was skirting dangerously close to the bill.

If the question is general enough I would like to hear it now.

(1435)

Miss Grey: Mr. Speaker, I would like to ask it now. Why will the government not open the doors to all 295 members of the House so they can make the same choice, do the right thing and opt out of this obscene plan?

* * *

[Translation]

GOVERNMENT SPENDING

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is for the Deputy Prime Minister.

Yesterday, we could read in *The Citizen* that the federal government is about to host an international conference on tobacco farming in the third world and that this conference will be held at a beautiful resort in the Italian Alps, thousands of kilometres away from the Canadian capital.

Does the minister find that it makes sense, at a time when cuts are made left and right in the health sector, for Health Canada to spend nearly \$1 million on a conference on tobacco farming in the third world?

[English]

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I think the hon. member has been the victim of misinformation.

On the whole issue of the tobacco conference, the government has joined with other governments to give money to the International Development Research Centre looking at the issue of tobacco use in developing countries.

The government has given that group \$700,000 over a period of three years. The group is now holding its meeting to fund

raise. The World Bank and other international organizations will be at the meeting to contribute more money to the fund.

It is being held in Italy because the site has been donated by the Rockefeller Foundation. It is being held in Europe because most of the members will come from the eastern European bloc countries and it will be cheaper for them to attend.

Health Canada has not been asked to attend. No Health Canada officials are going.

[Translation]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, how can the federal government reduce medical research funding and transfer payments, forcing the provinces to cut back on health care, while at the same time wasting \$1 million to host a conference in the Italian Alps?

[English]

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, maybe I did not make my answer clear the first time.

Health Canada and the government have not donated a single penny to the conference in Italy.

* * *

[Translation]

ABORIGINAL AFFAIRS

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, we heard yesterday the tragic story of 40 children who were abused both physically and sexually at the Lac Barrière reserve in Quebec. Several of them also have drug and alcohol problems.

In addition, Health Canada spent \$150,000 on controlling drug and alcohol abuse, fighting family violence and promoting mental health.

Since the minister assured us just the other day that he was making progress on these issues in Quebec, what does he intend to do about this?

[English]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, in the absence of the minister of Indian affairs and the Minister of Health, I will have to take the specifics of the question under advisement.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, let us try another.

Last year a group from this same Algonquin reserve sent the minister a letter pleading with him to remove the chief, who is unelected and has been convicted of assault.

Oral Questions

The minister has a fiduciary responsibility for the personal safety of band members and this tragedy is clearly a violation of the person. What does the minister intend to do about this?

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):

[Editor's Note: Member spoke in Inuktitut.]

(1440)

I apologise. I will take the question under advisement and give it to the minister.

* * *

[Translation]

HUGHES AIRCRAFT

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, in 1989, Hughes Aircraft signed a \$380 million fixed cost contract to computerize the Canadian air traffic control system known as CATS. We have learned that the project, which was initially slated for completion by 1995, is far behind schedule and that its implementation has been postponed until the end of 1998 or later, at an additional cost of \$250 million to Canadian taxpayers.

Does the Minister of Transport confirm that Hughes Aircraft is unable to complete its contract under the terms laid down, and what does he intend to do about this?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, I thank my colleague for his question because it is, indeed, an extremely difficult situation for the government. As soon as I learned about the potential problems with this project, I asked the auditor general to launch an investigation. I have also asked the deputy minister to start negotiating right away with Hughes Aircraft to find a solution that would be acceptable to the Canadian government and especially to Canadian taxpayers.

I totally agree with my hon. colleague. This is a situation that we will monitor very closely. However, I think that we have taken the appropriate measures at this time, and I fully intend to follow this matter very closely.

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, since the minister confirms that he asked his deputy minister, Nick Mulder, to reach an agreement with Hughes Aircraft, could he confirm that Hughes Aircraft plans to reduce the size of its contract by 40 to 50 per cent, which would cost Canadian taxpayers another \$250 million?

[English]

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, as the hon. member indicated in his first question, the contract was entered into some time ago. It is problematic. There are negotiations under way. I can confirm there are problems with the contract, with the delivery time and the cost of the contract. We are concerned about the technology and I

Oral Questions

want to assure my hon. friend that every attempt will be made to negotiate a settlement in the best interests of the Canadian taxpayer.

I do not want to confirm or deny the exact numbers being discussed. I do want to share with my colleague our deep concern about a matter which has not been dealt with appropriately in my view which has resulted in some corrective measures being taken with the personnel administering that contract. The deputy minister and others who are interested will be reporting to me and I would be more than pleased to keep my colleague informed about the progress of this matter.

* * *

[Translation]

MONTREAL ECONOMY

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

A study initiated by the Government of Quebec was published yesterday. The report indicated that Montreal could lose 5,000 corporate jobs if Quebec were to separate.

Given that the rate of unemployment in Montreal is unfortunately already at 12 per cent, how could the Minister of Intergovernmental Affairs convince the Government of Quebec to cancel the referendum entirely and work seriously with the federal government to resolve the problem of unemployment in Montreal?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, there is no doubt that the Parti Québécois and the Bloc Québécois platforms are causing increased economic uncertainty and costing us jobs.

(1445)

What is even more convincing is that this study was done for a minister of the Parti Québécois, and it concluded that sovereignty will cost thousands of jobs in the Montreal area and that the platforms of the two parties, up to now, have weakened Montreal's economy.

The federal government was able to help create 76,000 new jobs in Montreal last year. We spent \$175 million through phase 1 of the Infrastructure Program, and we are extremely disappointed to again see studies proving that sovereignty is costing thousands of jobs in Quebec and in the Montreal area.

[English]

BABBAR KHALSA SOCIETY

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, three years ago Revenue Canada granted charitable status to the Kamloops based Babbar Khalsa Society.

This militant organization has been dedicated to the violent separation of the Indian state of Punjab for over 10 years. The now deceased founder of this organization is suspected of masterminding the terrorist bombing of Air-India flight 182 in June 1985, which resulted in the death of 329 individuals.

Can the Minister of National Revenue please explain how such a group could obtain and continue to receive charitable status?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, some 72,000 organizations have charitable status and the ability to hand out receipts for tax purposes.

The member should recognize that the vast majority of these act very much in the public interest, carry out necessary functions in this society whether it be with respect to health, education, relief of poverty or other such matters.

Many in this group deal with immigrant groups in Canada. Many of them carry out excellent work. The member is wrong to single out a particular organization of which there may be one or two individual members about whom I know nothing and attempt to blacken the entire charitable status of all organizations dealing with immigrants. These organizations assist them to integrate into Canadian society.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, the Babbar Khalsa Society in Kamloops continues to provide financial support to Babbar Khalsa International, one of the few militant groups still committing acts of terrorism in the Punjab.

Could the minister please explain to the citizens of both Canada and India why the Canadian taxpayer is subsidizing terrorist activities in India?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, the hon. member has made allegations for which she has given no substantial support in this House by way of evidence.

It is important for her to recognize that there may well be organizations that have activities overseas that are difficult for Revenue Canada to supervise and check. We have an ongoing program within Revenue Canada to examine the charitable status of all organizations that are involved in the charity or non-profit area. We do this on a continuous basis with the resources that we have.

Oral Questions

There may be some activities overseas of some organizations on which I would be happy to receive information so we can check further. Under those circumstances, I would be grateful if the hon. member would provide that information so that investigations can be carried out rather than simply making allegations of the type she has made today.

* * *

[Translation]

SEASONAL WORK

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, my question is directed to the Minister of Human Resources Development.

Rejecting the proposals for unemployment insurance reform tabled by the Minister of Human Resources Development, the task force on seasonal work recommended, as did the Standing Committee on Human Resources Development, dropping the provisions in his green book that discriminate against women and seasonal workers.

Considering the broad consensus that has developed on the discriminatory aspects of these two proposals in the green book, will the minister promise to drop them immediately?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, as the hon. member knows, the consultation around the whole issue of social security reform, including unemployment insurance, is probably the broadest public consultation ever undertaken in this country. Over 100,000 Canadians, in a variety of ways, responded to a number of initiatives so their interests and views could be heard.

(1450)

The committee report of the House of Commons is the key document. We supplemented that, as the hon. member said, with reports on seasonal work and other areas we have been working on. We are simply examining all the representations at the present time.

No decisions have been taken, but I can assure the hon. member that we will take very seriously the concerns and issues raised in both the Commons report and in the seasonal workers' report.

[Translation]

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, the minister apparently is in no hurry to answer the question, but aside from this evasive reply, does the minister not realize that discrimination, whether it is directed against women, seasonal workers or young people, is entirely unacceptable and has no place in his

proposals for unemployment insurance reform? It seems to me he could at least say that today.

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I have no problem in saying that any reform we want to propose to unemployment insurance will seek the ultimate in fairness and distribution of opportunities.

However, I want to repeat to the hon. member something which I think he knows is important because he was very active on the committee. There was a very large and overwhelming consensus in the country by all those who reported that we must shift the emphasis from unemployment insurance simply as a payment of benefits to providing investment in individual Canadians to help them get back to work. Perhaps the most fair, just and equitable thing we can do is give every Canadian a chance to work.

* * *

IMMIGRATION

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, yesterday I asked the immigration minister what he was going to do to stop abuse of Canadian generosity by Sri Lankans who claim to be refugees but then take vacations in Sri Lanka.

Unbelievably, the minister said that he had not been told about the problem. He did not know that all through 1994 immigration officials had been identifying people in Sri Lanka who had refugee status in Canada.

Was the minister aware that bogus refugees were being identified in Sri Lanka? If he was, why did he not do anything about it?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the member just said bogus refugees in Sri Lanka. The member cannot prove that individual refugee claims that may have been placed years ago were bogus. People were accepted as refugee claimants, became landed residents and ultimately became Canadian citizens. They had the ability to travel and with different clans persecuting other clans, circumstances changed. Conditions do change.

If a person makes a refugee claim, is granted asylum as a refugee and immediately turns around and goes into the area where he or she had been persecuted, of course I do not condone that. In fact applications have been revoked for that very reason.

However, one cannot in perpetuity suggest that somehow a refugee claimant at one point in time is not permitted to travel to any other part of the country. A number of legitimate refugee claimants take their security into their own hands. It may be because they have to go back to bury their mother or father. They may want to go back to take possession of the homes and

Oral Questions

properties that were confiscated when they were persecuted. There are a lot of mitigating circumstances and we should not draw blanket conclusions.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, Canada's humanitarian missions should be to seek out the needy and weed out abusers. Too bad the minister does not share that vision. His compassion extends to special interests and only second to real refugees.

If the minister did not know about the Sri Lankan abuse then what about the 380 Israeli claimants from democratic Israel who were accepted as refugees in Canada by his friends at the IRB?

When will this minister wake up, stop the abuse and protect real refugees who are being bumped back in the queue by these frauds? Quit talking and do your job.

The Speaker: I would ask members to please address the Chair in all of the questions and in the answers.

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the problem with members of the Reform Party is they subscribe to jungle justice. Moments ago we heard from a member who undermined an entire organization operating in Canada because of guilt by association. If a person from the legion in British Columbia is guilty, does that mean we should say the entire legion is guilty? If a Canadian of Italian extraction commits a crime does the whole community have to pay?

(1455)

Mr. Speaker, how do you know who is a refugee and who is not?

* * *

INFRASTRUCTURE PROGRAM

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, recently the provincial NDP government in Ontario wrote to 833 municipalities and alleged the federal government was not following through on the financial commitments of the infrastructure program.

I can tell the House the letter from NDP minister Ed Philip created a great deal of concern among mayors and municipal councils in the province.

Can the minister tell me what steps have been taken to reassure Ontario's municipalities of the federal government's intentions regarding the Canada-Ontario infrastructure works program?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the program was progressing quite well until the minister of municipal affairs of Ontario put out a letter which consisted of scaremongering in the information it put in front of many municipalities.

As a result of that I have today released a statement jointly with the Association of Municipalities of Ontario which indicates quite clearly that municipalities in Ontario can and should proceed with their projects.

The bottom line in the statement is this. No one should be holding back on tenders or contracts because they are unsure the federal government will live up to its commitments under the infrastructure works program. If a project has been approved, they can be absolutely sure the Government of Canada will meet all of its obligations and pay its share on time.

* * *

[Translation]

QUEBEC CITY BRIDGE

Mr. Philippe Paré (Louis-Hébert, BQ): Mr. Speaker, in a letter to me that included references to the Quebec City bridge, the Minister of Transport wrote, and I quote: "At a time when restructuring has made it necessary for CN to cut personnel, the company could hardly be expected to spend substantial sums of money out of mere aesthetic considerations".

How can the Minister of Transport claim that the maintenance of a major structure that is part of the railway network is merely a matter of aesthetics, when rust is eating away at the structure, which is bound to shorten its life expectancy?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, to answer the hon. member's question, we would not want to give the impression that the bridge is not safe. All these structures are checked regularly to ensure they are in proper shape to do the job for which they were built.

I know there is a problem with the bridge, especially the way it looks, and we intend to ensure that, as far as safety is concerned, there is no problem. However, I would not want to give the impression that for some reason, because of our concern about CN's finances or for some other reason, the bridge is not absolutely safe.

* * *

[English]

HEALTH CARE

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, along with the Reform Party, all provinces are now asking that Ottawa define core health services. This is imperative. The provinces want to know where the government stands on health care.

Can the Deputy Prime Minister tell us if the government will open up the Canada Health Act to define core essential services?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, no.

INFRASTRUCTURE

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, my question is for the Minister of Transport. Three weeks ago the Minister of Transport stated that he was not prepared to put a cent into the port of Belledune as far as a grant was concerned any more than he would put grant money into the port of Saint John or anywhere else.

This week we have discovered that a \$5.8 million grant was transferred from the federal government to the port of Belledune.

(1500)

How can the minister justify giving a \$5.8 million grant to the port of Belledune when a loan of \$20 million has already been authorized to develop the port of Belledune and it has received almost \$6 million from the provincial government as well?

Would the Minister of Transport please tell us how he can justify this when it is against his policy as stated by him three weeks ago?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, what I stated and what I will continue to maintain is that Transport Canada is not in the subsidies business.

What I want to explain to the hon. member is we have responsibilities for ports across the country. The Standing Committee on Transport has come forward with some recommendations which we will study very carefully.

We will continue to make sure ports like Saint John, Halifax, Vancouver and others have the facilities required to be able to conduct their business.

With respect to the situation at Belledune, it is a wonderful precedent that the Government of New Brunswick, the Government of Canada, Ports Canada and local municipalities are all contributing to the enhancement of the facilities at that port.

While we are making a loan of \$20 million through Ports Canada to the port of Belledune, I want to reassure the hon. member that although the authorities at Belledune believe they can repay the loan I will take into account the request from Saint John to not have to repay the loan for \$20 million we have already made to it.

* * *

PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of the hon. Wayne Matthew, Minister for Emergency Services and Minister for Correctional Services from Australia.

I would also like to draw your attention to the presence in the gallery of Mr. Spyros Yatras, member of Parliament from Greece.

Point of Order

Some hon. members: Hear, hear.

The Speaker: This brings to a conclusion question period. I have two points of order.

* * *

POINTS OF ORDER

QUESTION PERIOD

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I rise on a point of order today arising out of question period. I do so with some reluctance. This practice has continued now for some time and I want to draw to the House's attention and also to Your Honour the rules in respect of question period which do apply and which I think are relevant when the opposition considers questions it wishes to ask in the House.

This afternoon, Sir, you ruled a question or two out of order and I want to draw to your attention the provisions in citation 409 in *Beauchesne*:

In 1975, the Speaker expressed in general principles in order to clarify the regulations and restrict the negative qualifications which traditionally have guided the Question Period.

On that occasion the Speaker said:

A brief question seeking information about an important matter of some urgency which falls within the administrative responsibility of the government or of the specific minister to whom it is addressed, is in order.

It goes on under number (12):

Questions should not anticipate a debate scheduled for the day but should be reserved for the debate.

That view was reinforced by a ruling by the Speaker in 1986 and which is quoted in citation 410 of the sixth edition of *Beauchesne*:

In 1986 the Speaker put forth further views in light of more recent conditions and precedents. It was observed that—

I need not repeat the entire citation but I turn to paragraph (14) thereof:

Questions should not anticipate an order of the day although this does not apply to the budget process.

I know hon. members opposite would like me to dispense with reading these important practices of the House. They have been rigorously enforced for many years. I know Your Honour in seeking to enforce them today was acting in the very best traditions of the House.

I can only urge Your Honour to continue to do so with vigour and ensure practices outlined in 1975 and 1986 are adhered to by the opposition.

(1505)

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I am very disconcerted by the words of the hon. parliamentary secretary for the government House leader.

Point of Order

There are two points that I would like to make. First, I have observed in the House in past debates, one example being a question on Bill C-76 about deliberations in committee, abrogating the rules, that the hon. member was not concerned with that matter whatsoever.

Members on the government side have challenged the results of votes in the House. That is against the rules and that has not been challenged. More important, the hon. member for Beaver River in her question did not deal specifically with the bill under debate today but rather the agenda of the government which was brought forward in discussion papers and in the bill being debated today. She did not speak specifically to the bill. She did not mention the bill. She talked about something the government has been putting forward for debate for some weeks or even months.

I do not understand why some in the House can specifically speak of bills by name which are under debate in committee or in the House with no challenge when the hon. member for Beaver River spoke in a general way about the agenda of the government and was not permitted to complete her question.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I would like to address the two points raised by the hon. House leader across the way. First, the citation in question in Beauséjour specifically excludes the budget. Therefore the allegation that this should have been applied to the motion to discuss the main budget bill does not at all have anything to do with the issue now before the House.

Second, the issue in question is further complicated by the fact the hon. member who asked this question earlier today specifically about the content, the main subject, dare I say, of the bill now before the House being debated this day in contravention of the citation has also proposed a motion today in the House to amend the bill now before the House. She was debating her own motion at the time we are speaking of which further strengthens the point raised by the hon. parliamentary secretary.

The Speaker: I do not want a debate back and forth. When hon. members are on their feet and want to speak on a point of order, as much as possible their arguments should be contained in the time they are on their feet.

I will allow the hon. member for Kindersley—Lloydminster to make a brief statement.

Mr. Hermanson: Thank you, Mr. Speaker. I do want to respond to what the government whip mentioned.

We were not talking about a debate on the budget, we were talking about a specific bill, the Budget Implementation Act, which is a bill like all others, which was specifically mentioned in the House and was not challenged by the government side or by the Chair. It was much more specific than what the hon. member for Beaver River said in her question.

I believe the hon. member for Beaver River acted properly according to the rules and I ask hon. members on the opposite side to recognize that.

The Speaker: Colleagues, you have left decisions to the Chair to be made in the course of question period and in the course of debate. I am well aware of the quotations cited by both sides from Beauséjour. As much as possible, in the course of question period I have tried to give as much latitude as I can to members asking questions and to members giving answers.

(1510)

If you are to challenge your Speaker every time I make a ruling in the House, I make the ruling with the very best of intentions, that the rules be followed. If you wish to pursue this conversation with me, I invite you to come into my chambers. For today from my point of view from what I heard, I permitted the first question from the member because although I thought it was borderline it was general enough to be asked. In my view the second question was out of order. I ruled it as such.

If every time I make a decision on our behalf as to make the House function we will be coming into these points of order, we will be using a great deal of time.

On the other hand, I recognize we have legitimate points of order, perhaps every day. I am always willing to listen. I beg you to give your Speaker enough latitude to conduct question period as it should be.

MEMBER FOR NUNATSIAQ

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I rise on a point of order under Standing Order 37.

Today we raised a serious question about the sexual abuse of children on a reserve in Quebec. I ask you, Mr. Speaker, to agree contempt was shown to Parliament by not only the parliamentary secretary who made light of the question but the government side members who laughed in derision on this very serious issue regarding the sexual abuse of children.

The Speaker: In response to a question an hon. member spoke in another language. There is no rule I know of that says we cannot speak in other than either of the two languages.

It makes it more difficult for us to understand but what I heard from the hon. member was that he would take the question under advisement.

As to any other reaction, the Chair has 294 reactions to virtually every question and answer given. I do not find a question of contempt of Parliament in this issue. I thought it was in the normal course of give and take and that is why I did not intervene.

I do not find contempt of Parliament in this circumstance.

Government Orders

[Translation]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, my question is of course directed to the Leader of the Government. Could he perhaps inform the House about the business of the House for the coming days?

[English]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, this afternoon we will continue with second reading of Bill C-85 on MP pensions.

When this is completed we will return to third reading of Bill C-43 on lobbyists, followed by report stage and third reading of Bill C-67 respecting veterans, second reading of Bill C-70 concerning income tax, and report stage and third reading of Bill C-54 regarding old age security, the Canada pension plan and related matters.

Friday we will resume at the point where we left off today. On Monday the House will not sit until two o'clock in the afternoon to enable members to attend services commemorating the end of the European part of the second world war.

In the afternoon after question period and on the following days we will resume business where the House left off Friday. This will be followed by second reading of Bill C-88 regarding internal trade, Bill C-87 regarding chemical weapons, Bill C-86 regarding the Dairy Commission and Bill C-82 regarding the Mint.

(1515)

The Minister of Transport intends to introduce a bill tomorrow concerning the CNR. It is the intention of the government to propose that the bill be referred to committee before second reading, using one of the new procedures adopted by the House last year.

It is my hope we can deal with that motion early next week. I would also like to find the time to deal with report stage of Bill C-41 regarding sentencing. Finally, next Thursday shall be an allotted day.

GOVERNMENT ORDERS

[English]

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

The House resumed consideration of the motion that Bill C-85, an act to amend the Members of Parliament Retiring Allowances Act and to provide for the continuation of a certain

provision, be read the second time and referred to a committee; and of the amendment.

The Acting Speaker (Mr. Kilger): The hon. member for Peterborough has approximately 17 minutes remaining.

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, before the break for question period I was speaking to Bill C-85 which is designed to reform the pensions of senators and members of the House of Commons. I was making the point that I was pleased by the fact the double dipping provision was so strong in the proposed legislation.

Previously I mentioned other aspects of the bill which I am sure will be addressed by other members. I should like to spend the time remaining to me dealing with double dipping. I begin by placing on the record a definition of the term double dipping, which has become so widespread in recent months.

When I speak of double dipping I refer to the practice whereby a former member of the House of Commons or a senator simultaneously draws a pension under the Members of Parliament Retiring Allowances Act and is paid in respect of employment or an appointment or a contract for services by the Government of Canada.

In the changes in Bill C-85 the government is carrying through on the promise made in the red book to end the practice of double dipping. Canadians have made it very clear that they find the practice unacceptable. In response to this criticism the government announced early in its mandate that amendments would be made to the pension arrangements for MPs to put a stop to double dipping.

Before we look at the actual proposals in Bill C-85 I should like to say a few more words about the public's concern about former members appointed by the federal government to jobs that some might characterize as being in the gift of the government. These so-called appointments are within the control of every government. The government has recognized that the public views the appointment of a former MP in receipt of a pension to a position of this nature with a good deal of concern.

In this context members present today may wish to take note of the fact that in the case of a number of recent appointments made by the government, appointees who are also former members of Parliament have either taken salary cuts in their new jobs or have made a gift of their pensions to the crown. In the practical day to day sense the double dipping terms of the new legislation have already been put into practice by the government.

The government takes the concerns of Canadians so seriously on the issue that it is putting an end to double dipping even though some view pension entitlements as an earned or accrued right. Viewed as an earned entitlement, some pension experts believe that subsequent employment should have no effect on an individual's pension.

Government Orders

However the government accepts the public's concern regarding the issue and realizes that pensions for former members are and must be viewed in a different light. As I mentioned at the beginning of my remarks, I believe the symbolism of what members of Parliament do is very important.

(1520)

It would be instructive to begin our examination of the double dipping proposals in Bill C-85 by looking at what type of re-employment will be subject to the new rules. The proposals in the bill are very inclusive. If a former MP entitled to a pension becomes employed in any capacity by the federal crown or by a crown or departmental corporation, the former member is required to report that he or she has obtained the employment. In addition, the report that is made must also reveal how much remuneration will be paid in respect of the employment.

Perhaps at this point I should say a few words about the reporting system, the system of monitoring whether a former member becomes re-employed in the federal sector. The same system applies to a former member who is appointed to a position or obtains a federal contract. It is built upon self-reporting. It is the responsibility of the former member appointed or employed to report that it has occurred and how much remuneration is attached to the job. The government has no desire to see a huge bureaucracy built up in an attempt to monitor the activities of former MPs.

I should like to make one more digression. When I refer to crown corporations and departmental corporations it might be useful for members of the public if I gave an example of each, just to give some idea of the breadth of the new prohibition on double dipping.

Canada Post is an example of a crown corporation and the Atomic Energy Control Board is an example of a departmental corporation. These are the crown corporations that will be covered by the bill. As I said, the same reporting requirement applies to any appointment of a former MP in the federal public sector, that is any appointment under the auspices of the federal crown including crown corporations and departmental corporations. An appointment to judicial office would be included, as would be an appointment to diplomatic office.

Any appointment that may be made by the governor in council is included. Any appointment to any board, tribunal, agency or commission in the public sector is regarded as an appointment to which the double dipping provisions of Bill C-85 will apply.

Finally, it should be noted that any contract for services entered into by a former MP with the federal crown is also covered by the amendments in Bill C-85. The former MP will be required to report that the contract has been entered into and

how much remuneration will be paid in respect of the services to be rendered under the contract.

I should also add a further point with regard to the issue of contracts to illustrate how far reaching the pension reforms are. The bill goes one step further than just mandating that a contract between a former MP and the federal crown, broadly defined, must be reported. The bill also includes a provision that seeks to prevent a former MP from establishing a corporation, association, partnership or other entity which then concludes a contract for services with the government for the purposes of avoiding the application of the new double dipping prohibition.

To that end, where a former MP controls a corporation, association or like entity and the entity enters into a contract with the federal crown, Bill C-85 deems that contract to have been entered into by the former MP. As well, the remuneration the former MP must report is deemed, in the words of Bill C-85, "to equal the amount of the salary, fees and other compensation paid to the former member for or in respect of the services provided by the former member under that contract".

Moving on to the subject of remuneration received in respect of employment, appointment or contract, it must be said that the net under the legislation is cast very wide. All remuneration that comes in whole or in part out of the consolidated revenue fund is caught by the proposals of Bill C-85.

(1525)

In addition, any remuneration paid out of moneys appropriated by Parliament is also included as remuneration that must be reported if it is paid to a former MP entitled to a pension under the Members of Parliament Retiring Allowances Act because the former member has obtained employment, an appointment or a contract with the federal crown.

While the aim of the bill is to cast a wide net in an effort to put an end to double dipping, it is not the government's intention to eliminate the practice in a way that will be unfair to former members in receipt of a pension who obtained employment, were appointed to a position, or entered into a contract for services prior to the coming into force of the amendments.

Perhaps I should mention that the amendments will come into force only when Bill C-85 is approved by both Houses of Parliament and given royal assent.

Another issue of fairness is raised by the amendments. I am referring to the trigger that will activate the double dipping prohibition as proposed in Bill C-85. Previous private members' bills that dealt with the issue of double dipping would have caused former members to lose entitlement to their pensions if they were in receipt of any remuneration from the federal crown.

Government Orders

This would mean that the entire pension would be suspended or abated if a former member earned as little as a dollar a day as a result of employment or appointment. One day's per diem from a part time position would have had this draconian effect.

The government felt that would be very unfair. Therefore the amendments proposed in Bill C-85 have set a ceiling of \$5,000. If a former member earns remuneration of less than \$5,000 a year, there will be no reduction in his or her pension. If more than \$5,000 is earned the pension will be abated dollar for dollar.

The proposal put forth in Bill C-85 is reasonable and allows a former member to earn \$5,000 before the double dipping provision is triggered. This will allow a former member to take a very short term appointment or a part time position and suffer no pension loss.

Bill C-85 provides regulations to be made to facilitate the pension reduction. In particular, there will be provision for the recovery of pension overpayments since it is quite likely that where reductions must be made in a former member's pension the actual reduction may not be made at the exact point when the former member commenced to receive remuneration from employment, an appointment or a contract.

I repeat that the government believes the proposals in Bill C-85, which will put an end to double dipping, are fair and effective. They are not retroactive because it would not be fair to change the rules of the game halfway through the game.

The proposals also allow a former member to receive a small amount of remuneration without pension penalty. I think members present will agree that the government has cast a wide net in its efforts to put to an end double dipping. It has been responsive to the concerns of members of the public who made it very clear that they do not approve of the practice.

Immediately following the election I followed pension reform very carefully. I am glad the government has now moved to meet its red book commitments. The double dipping component of the legislation, which I have just described, actually goes beyond what I envisaged was the commitment in the red book. I am delighted to see that.

(1530)

For myself, as I mentioned at the very beginning of my remarks before the break, I do think that thought should be given to the matter of double dipping in the broadest public sector, elected and unelected officials at the local, provincial, and the federal level. I am delighted that in this legislation we members of Parliament in the federal House have moved to set an example in that direction.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I have a quick comment about the concept of changing the rules of the game.

I was approached by a gentleman in my constituency who would be in his early seventies and who retired from a coal mine also in my constituency. In good faith, he had paid into a pension plan, as had the company. Unfortunately, the company went bankrupt, and due to a number of different issues it turned out that the pension plan ended up being completely underfunded. Now that was not very fair. Here is a gentleman who was enjoying a modest income who suddenly dropped down to about \$100 a month in his pension, where he had in good faith during his working life paid into that. It was absolutely and totally outside of his control.

I raise that as a point of interest to the member. Very frequently we have seen politicians who have said this is out of our control, or the people retired previously, so it must be fair, and so on and so forth. Well doggone it, unfortunately, in Canada, as everywhere in the world, there are an awful lot of things that happen that are unfair. So to just dismiss the idea of not looking at those who have retired and not asking if there is some fair and equitable way to put an end to the countless millions of dollars that are being paid out to them and in a fair way to reimburse them and then let them get on with their lives so that Canadian people can get on with their lives, maybe that is something that should be looked at.

I would be interested to know what, in his former life, the member did for a living. Listening to him, I assume that he must have been a professor of very dry subjects or a lawyer or somebody who loves to use 75-cent words all strung out in a long row when talking about the double dipping and all the issues involved in the legislation.

This act that is being brought forward by the government is attempting to cover every single, solitary eventuality. In fact, I believe that what the people in Canada are saying is they do not think politicians should be able to put themselves in some kind of unique category and unique classification.

Would he not agree that the people of Canada would accept, instead of a three to one or a four to one or a five to one payment on their part to what the politicians are going to be putting in, the idea of an industry standard of one for one? If the politician puts in \$5 the people of Canada put in \$5, instead of the politician putting in \$5 and the people of Canada having to cough up \$20, which is what this legislation still calls for.

Would he not agree that it would be the simplest thing in the world to wipe out what is presently in existence relative to the pension plans and come back with a program that would say that the politicians may, for every \$1 they put in, up to a particular limit, be matched by \$1 from the taxpayer? Then we do not need

Government Orders

to worry about double dipping, triple dipping, or any other kind of ice cream dipping. It does not make any difference, because in fact then the person would be in charge of their own destiny and would be out of the pockets of ordinary Canadians.

Mr. Adams: Mr. Speaker, I listened with great sympathy to the first part of the member's remarks about the miner he described and the unfairness of that particular case. My response to him on that, while I have great sympathy for that situation, is that quite simply two wrongs do not make a right. Because there has been one unfairness, I think it is important that wherever we can we try to avoid creating further unfairness.

(1535)

On retroactivity in this case, if we went back to all the former members of this House who are now out in the workplace, we would find some who have returned to the public service. They could be former bureaucrats who have gone back into the bureaucracy; they could be people on appointments; they could be people on contracts; and so on. Some of those people may have moved from western Canada to Ottawa and made complicated family and financial commitments. Therefore, to undo their financial base at this time would be truly unfair. By the way, it would also be a great complication if we were to think of complicated legislation.

As to his question about my profession and the matter of dealing in dry subjects, I was a professor, but not of dry subjects. My field of research was ice, and I worked in the area of hydrology, so the work I did was really quite wet. My research was on ice and I worked on sea ice and lakes in all parts of the north. For example, I worked on the effect of ice on fish. However, I moved away from that type of work to skating on thin ice in this House. I would also say to the hon. member that my remuneration has changed considerably, and considerably for the worse.

Having said all of that, I do not apologize for trying to explain legislation as well as I can to members of this House and to the people of Canada. We all have difficulty reading bills and reading the acts that govern this country. I understand why they have to be written very carefully and in very precise legal language, because of precedents and the way the courts will have to interpret them and so on. I would say to the hon. member in all sincerity that I think one of our duties is to try to explain legislation to the best of our ability, whatever our abilities are, to the people of Canada. That is what I was trying to do in the area of double dipping.

As all members know, we cannot control the future through written legislation. However, as far as is humanly possible this legislation with respect to double dipping is written to try to prevent people from getting around it, which unfortunately all sorts of people appear to do with our legislation.

I do not apologize for trying to explain legislation to the people of Canada to the limits of my ability.

Mr. Abbott: Mr. Speaker, I was not intending to be critical of the hon. member's explanation of all of this verbiage that is contained in the agreement, although with his reference to ice I must say that a lot of people in Canada think that legislation typically goes through the House at the speed of a glacier, so there is some connection with ice there.

However, my question still is that rather than having a whole, long, complicated document that the member has to stand up and, to the best of his ability, explain, why is it not just wiped out? Why do we not just match one for one? Why do we not go to an industry standard? Why does he not put down his \$5, I will put down my \$5, and the Canadian taxpayers can put down their \$5?

Mr. Adams: Mr. Speaker, I do have sympathy with the remark regarding this House sometimes moving at glacial speed. I know it does. I think that all members have been frustrated from time to time. One of the reasons for that is the system of enormous checks and balances that are placed on us.

I would point out to the member, and perhaps we can discuss this afterward, that it is my hope that this legislation moves through at the rate of a glacier surge. If the member does not know what surging glaciers are, there are about 200 glaciers in the world that are moving at a speed that for glaciers is quite catastrophic. It is my hope that this legislation will move at least at that speed.

(1540)

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, I do not intend to talk about glaciers. I do not intend to talk about all of the aspects of C-85 either.

I heard a number of comments prior to question period, particularly from the member for St. Boniface, which I believe have to be answered. Accusations were made that many of us on this side of the House ran for some fairly questionable reasons. We have heard that a lot of times. Maybe we should just go back and review very quickly why most of us on this side of the House ran and I am sure on that side of the House also ran.

Certainly we were concerned about the debt and deficit. It is only fair to say that when we looked back at 1984 we thought that a change had to be made. We were at \$180 billion. We had someone who promised he would take care of it. By 1988 he did take care of it. We were at \$375 billion, and we were told it was still a problem. By the time we got to 1993 we were at \$489 billion and then we really knew we did have a big problem.

An awful lot of us got involved back in that 1988 period because we saw not only this debt and deficit, but we saw corruption, mismanagement, waste, and a government that was not listening to the people. We saw that by not listening it meant that a message would come down from on high and go back to the riding and we would be told what was good for us from the party.

Government Orders

The message was always going the wrong way, and the people desperately wanted to be heard. What they wanted to be heard was that they wanted to end so many of those things. They wanted to end the perks and the gold plated pension plan, which became a battle cry for citizens out there who were looking at that and asking what it meant.

They also were fighting the arrogance this place had. I would say that a lot has improved here, but certainly what we saw in question period today was not an improvement. We had a question answered in another language and everyone was laughing and cheering about it. That is arrogance and disrespect for this place. If that sort of thing continues the people will speak again. We can count on that.

We have problems in this country. The debt and deficit of course are getting worse. We have a criminal justice system that is in decay. The people are demanding change. They are asking about young offenders, parole, victims' rights, the time taken by the courts, the crime and the law and order out there. They are asking what the government is doing and if it is listening.

Instead, the government is fooling around with things like gun control and its own selfish, greedy pensions. That is what the government is wasting time on in this House. The public is listening and evaluating what this House is doing on that matter. They demand parliamentary reforms. They demand that we do something about that other place over there, that waste of money and time that we have. They demand that they are able to recall and fire an MP who does not do his job. They demand that they can talk on social issues and that we bring them back to them and speak for them. They demand in fact that people have the right in this place to have free votes. They demand that if they tell their member to vote against something a party whip should not be able to whip him into shape so that he has to go along with party lines or lose his committee position and position in this place because they go against the party, the almighty party from Ottawa that tells you what you have to do when you get home.

The government is not listening.

The Acting Speaker (Mr. Kilger): I am quite aware that there are some very strongly held views in any debate, this one certainly not being the exception. But I would remind colleagues on both sides of the House from all parties that all interventions be made through the chair and through the Speaker and not directly to you or whomever else.

Mr. Mills (Red Deer): Mr. Speaker, I maintain that the government is not listening. It is not listening on the young offenders, on crime control, on victims' rights. And it is not listening on pensions for the MPs.

(1545)

We heard them, certainly in the dribble that was spewed out by the member for Winnipeg St. James. He talked about why politicians have such a low profile. He said that the people on this side are the ones that keep talking about it. That is not true. It is the people that are talking about it.

Ironically, a letter was delivered to me in the House just now from a constituent of mine. Parts of it might convey the message. It was sent as an open letter to the Prime Minister:

As one of your employers, I expect Canada to be managed by real leaders worthy of trust. In the 1993 election campaign you promised to restore integrity to government.

Where's the integrity in your MP pension reform, especially in light of your recent budget? You promised to reform pensions, then made only minor changes that don't come close to bringing MP pensions into line with pensions like mine. I have to save for my retirement and can't even depend on Canada Pension Plan any more, yet politicians get pensions that I pay for. Worse yet, many of your cabinet colleagues and long-sitting MPs manage to get away with no changes whatsoever to their original pensions.

I think that says an awful lot.

If we must expect less, shouldn't our leaders also expect less? You promised integrity, but we see business as usual. Patronage continues, spending is out of control, and promised reforms and action plans have only meant discussion papers or empty words.

That is from someone at that grassroots level and it explains why people do not trust politicians. Let us look at other reasons they do not trust politicians. We have all read the books *On the Take* and *Beyond the Law*. We read that stuff and we see what kinds of things have happened in this place.

In the *Hill Times* the chairman of the committee I am on, the member for Rosemont, although he is misquoted a little, says that the joint foreign affairs committee had an \$800,000 budget. He said: "Most committee chairs overestimate their budgets for the year. You do not know how much you need so you pad everything like mad". That is what people are seeing. That is why people are asking questions and that is why politicians get a bad name.

We are talking about savings and pensions for people. One of the biggest problems Canada has is that its people have about 7 per cent savings to the GDP. Countries like Chile have 25 per cent. Many of the countries in the Orient have savings higher than that. That is what provides stability for a country. People see politicians not taking care of those kinds of things. We should be encouraging people to save through RRSPs to build that savings level, so that money is invested in Canadians.

The GST is a good example of what we are talking about now. A party decided the GST was good for people. You MPs that were here then should take that home—

Government Orders

The Acting Speaker (Mr. Kilger): I caution the House and I remind all members that all interventions must be made through the Chair. If I can be more direct, the word "you" in reference to any other member of the House will not be accepted by the Chair in this debate or in any other situation.

Mr. Mills (Red Deer): MPs were told to take the GST back to their constituents and tell them how well it would work and how it was best for them. Mr. Speaker, you saw what happened when MPs went back and told the people that the top down message was the way to go. The message was loud and clear. It is not us across here that are giving politicians a bad name.

(1550)

It is one of many things that have happened. Take the example of gun control. Gun control is being dealt with as a message from on high. What do the people want? People want crime control. They are not asking for gun control.

I come now to pensions. What is being done with this pension? The people of Canada do not mind paying the salaries of those members of Parliament who do the job for them. I have not heard much complaint about the salaries. However, they expect the pension to be the same as they can get in industry. That is all they are asking. If that were the case, I do not think there would be a problem.

What I really think happened was that a number of senior members on the other side decided no, we are here, we have it, we are not going to give it up. They demonstrated like so many do that they are not prepared to make sacrifices for the country.

Why should Canadians make a sacrifice if the leaders will not? The people who were elected in 1993 are caught in this thing. They know what people are saying because they are still in touch with their constituents. That is some 200 plus of us.

I am sure it was felt that members on this side would be split on this item. We feel so strongly about it in the Reform Party that 52 of us are going to take that exemption and get out of the pension plan. That is a pretty big surprise to the governing party.

I bring members to what is going to happen in 1997-98. We are all standing on a stage at an all candidates forum. I think about the questions from that crowd. I think about them saying: "Okay, there is a candidate up there who has opted out of the gold plated pension that some 85 per cent of Canadians in a survey said must be eliminated. Someone has opted out. All of the rest cannot opt out even if they wanted to because their party said they had to belong to that gold plated pension plan".

It will be a pretty tough position for other candidates to defend. Throw in a bit of gun control. Throw in a few of the other major issues and it will be even more difficult. We know that governments defeat themselves. They are seldom defeated from the outside.

It is just amazing that something like this would be dealt with this way. I can hardly believe, with all the spin doctors and all the professional consultants that the other party has, it would even consider gambling with something like this gold plated pension unless a lot of members plan to opt in or opt out, however it is going to work. It is certainly going to be an Achilles' heel in the coming election.

The people will be able to speak. The people have shown that already. The people have power now. In case members have not noticed, they demonstrated it in 1992 with the Charlottetown accord. They demonstrated it in the election very strongly about the GST and the corrupt items that we talked about. They certainly demonstrated it to the cable television companies. Members better believe that they are going to display their power in 1997-98 or whenever the next election is. The battle cry is going to be gold plated pensions. I guarantee it will be at the top of the list.

This is the sort of issue that to me touches everybody. All people think about their health, their old age and protection and security for themselves and their families. This is something to which every one of them can relate.

When you get something that everybody can relate to, Mr. Speaker, you now have a very definite issue. Members of the Reform Party are not going to let voters forget about the pension plan. We might be talking about guns, we might be talking about other things but those issues do not touch everyone. When we have an issue like taxes, an issue like pensions that touches everyone, people will respond.

(1555)

I suppose the purpose of this House is for us to point out to everyone here the issue, the problems and what the people of Canada are saying about an issue like this. I respectfully put forward this point of view and say this is an issue we must deal with.

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, I listened with interest to the hon. member's speech.

The hon. member has made a comparison between what a member of Parliament and someone in the business community makes. It is important for him to remember and understand the fact that to have credible government we have to have credible people here.

In my other life I was a poultry producer. I was respected in that occupation and 18 months later I hope I am respected in this one. Personally I have not changed.

Government Orders

To become a member of Parliament it cost my farming operation over \$12,000 a year. That was just in workmen's compensation payments and unemployment insurance to replace me.

When the hon. member talks about gold plated pensions and so on, a study was done that stated that members of Parliament were underpaid. We have by the way frozen our wages again. I know it is not an option because we cannot give ourselves a raise when we are telling everyone else to hold the line. However, the report recommended an increase in pay for members of Parliament. I would be more than happy if that happened to see the pensions done away with and work within an RRSP program.

We know we cannot have an increase in pay. The public will not stand for it. I agree with that. Therefore I feel the pension reform is more reflective of what that increase in pay would have been. I know if a member of Parliament was working in the business community he would be making a heck of a lot more money than what he is making right now.

Does the hon. member think a member of Parliament makes as much as a person in the business community does if he is doing the same job that we are doing?

Mr. Mills (Red Deer): Mr. Speaker, first, we are talking about pensions, not salaries. I will answer the hon. member's question about salary.

The Canadian public does not know what an MP does. I must admit that some of us who came here for the first time probably really did not know how much work was involved. If people knew the number of hours involved I think there would be support for higher salaries. In any business there would be some MPs who would not qualify but generally speaking MPs are underpaid.

A pay increase at least is honest. It is straightforward. If it is explained properly the Canadian public would understand that. They cannot understand a pension that MPs have rewarded to themselves that is totally different from other pensions. It is three and a half times better than you can get in industry.

Canadians cannot accept the dishonesty of that sort of a pension. What they could accept would be the honesty of saying: "These are the hours, this is the job that is done and this is the salary that should have been obtained".

You say you took a salary cut. I took a big salary cut too.

(1600)

The Acting Speaker (Mr. Kilger): Order. If we get into an exchange of a personal nature by using the words you, me and so on, we could be getting into a very dangerous area. By and large our debates are conducted in a very parliamentary fashion, to the credit of all in the Chamber.

I remind members to direct their comments and interventions through the Speaker.

Mr. Mills (Red Deer): Mr. Speaker, I apologize. This is an emotional issue. It is one we feel very strongly about. It is certainly one about which my constituents feel very strongly. If there is one issue that has been raised more times than any other in the four years I have been involved, it has to be the one of MPs' pensions.

I get emotional about it. It has been four or five years that I have been talking about it. It is not something new. It is not a matter of just jumping on the bandwagon and saying we oppose it, as two former members said we were doing. If they checked the record they would find that most of us feel strongly about the issue. Mr. Speaker, your constituents feel strongly about it as well.

We have to put the facts on the table. I respect what the hon. member just said about salaries. That is how it should have been presented. If it had been done that way it could have possibly received all-party agreement. If it had been simply presented as a trade-off and package, bounced off the people to find out if they agreed, there was a good chance they would have accepted it. However I am certain they will not accept this type of pension plan.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, one of the frustrations for Canadians on issues such as this one is not knowing how to do something about it.

If we reflect on the Charlottetown accord, every politician in the House of Commons lined up to try to jam the Charlottetown accord down the throats of Canadians, with the exception of the Reform member for Beaver River. Canadians saw through the Charlottetown accord. They lined up on the cable issue. They lined up on a number of issues.

I have a question for the member. If Canadians are as upset about the issue as we believe they are, does he have any constructive ideas ordinary citizens might be able to use to make members on the other side aware of how frustrated they are?

Mr. Mills (Red Deer): Mr. Speaker, I would certainly hope the Canadian public has learned how to become involved in the process. I would go back to the last election and how they got involved and made a major change. The major change was a response to issues such as this one. They said: "Do not tell us what is good for us. We will tell you what we are prepared to have and to pay for".

I would tell Canadians to make sure they talk to their members of Parliament. They must talk to them, write to them, phone them, and tell them where they are coming from. They must do it soon. They must do it before the end of June so they will have input. When the bill gets to committee, I hope the government will deal with it in that way.

Government Orders

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, I remind the House that every member has come here with honesty and integrity, working their buns off 24 hours a day in some instances for seven days a week. I do not think many came here looking for the pension. My only hope is that I live long enough to enjoy it after the gruelling work days we go through.

(1605)

I am pleased to have the opportunity to contribute to the debate on Bill C-85. I would like to ask hon. members to think carefully about some of the issues underlying the design of the pension plan.

Over the last few years there has been a growing chorus of complaints from Canadians about the generosity of the pension plan. In general, the complaints focused on two features of the plan. The first was the immediate availability of regular monthly pension payments from the day of leaving Parliament for the rest of the individual's life. The second was the frequency with which former members were seen as being rewarded, not only with this lifetime benefit but with appointments to highly paid posts in public life.

The first criticism is certainly understandable. We all understand that the purpose of a pension plan is to provide income for individuals who have reached an age when ability and willingness to work have declined. At that stage of life it is reasonable to think that retirement from the workforce should be possible without catastrophic alterations in lifestyle expectations. That is why our system of taxation includes measures to encourage Canadians to save toward retirement years during their employment years and encourages employers to participate in the goal by providing employer sponsored pension plans.

While undoubtedly improvements could be made, I cannot imagine that anyone seriously questions the importance of maintaining a system of tax assistance for retirement savings. Obviously the question of when it is reasonable to begin receiving what is meant to be retirement income is a different matter.

We should really ask ourselves if we have in place adequate financial arrangements to allow a member of Parliament, who leaves the House before what could be considered normal retirement, to make the transition back to private life in a reasonable way.

The answer to that question, however, is not to begin paying a pension to someone who is only in his or her thirties or forties. Such a person will look for employment elsewhere and most likely will continue to accumulate retirement savings so that ultimately on retirement pension may come from several sources.

The establishment of a minimum pensionable age for the Members of Parliament Retiring Allowances Act as proposed in

the bill ensures that the pension plan takes its place as building a portion of ultimate retirement income for a person who may have several different types of employment during a full career.

As I have indicated, I fully support the action proposed in the bill with respect to the issue of what is commonly referred to as double dipping by former members who are receiving pensions and are appointed or become employed in federal jurisdictions.

To a great extent the problem has its genesis in the previous issue of the age at which pensions have become payable. The public is understandably concerned when a 40-year old is drawing both a generous pension and a salary from public funds. Obviously it would not be fair. Nor would it be in the public interest to preclude qualified former members from public service at the national level. However it is fair and respects the public view to act in the manner proposed in the bill to expect the former member to report such income and receive less or no pension for the period concerned.

The legislation responds to two specific criticisms of our pension arrangements. I commend the President of the Treasury Board for carrying through on our commitment in this area. I draw attention to the fact, however, that the president has gone even further and has made a very significant change in the formula used to calculate benefits under the plan. The change will affect all present and future members of the House by reducing the level of pension benefits earned.

Until this time members of the House of Commons have earned pensions at the rate of 5 per cent of average sessional indemnity for each year of pensionable service. For service after the bill takes effect the rate will be reduced to 4 per cent of average indemnity. This means that members will be earning 20 per cent less pension in future, which I am sure anyone would agree is a very significant reduction in retirement expectation for members of Parliament.

(1610)

For example, based on current indemnity levels, a member will be accumulating \$640 less pension for each year of service. We are told by the President of the Treasury Board that this reduction coupled with the introduction of a minimal pensionable age will amount to ongoing savings to taxpayers of something like 33 per cent of the present cost of the plan. This would mean that government contributions to the plan would be lower by more than \$3 million every year.

Undoubtedly some will say this reduction is not enough, that the government has not gone far enough, that MPs are not worth what they are paid, that pensions are part of the compensation and so on, that the plan goes far beyond what is provided elsewhere, that the plan is illegal, and that no one else in the country would be permitted to have such a plan.

Government Orders

Clearly the question of how much is enough is one with no factual answer. Every Canadian will reach his or her own conclusion on whether or not the government has gone far enough.

A number of points should be considered by the thoughtful people of the House before coming to a conclusion. I should like to address the much publicized view that the plan is illegal in some way. Those who suggest that no other Canadian could have such a pension arrangement because of other legislation such as the Income Tax Act are either misrepresenting or misunderstanding the rules.

While the income tax rules for registered pension plans are complex, the general concept is simple. The rules put limits on the maximum benefits that can be accumulated under a pension plan and thus govern the amount of contributions that can be made and tax sheltered. The rules do not prevent individuals or employers from setting aside other funds to provide additional retirement savings. They simply do not provide tax assistance for such savings.

As well, where employers sponsor such additional arrangements and set aside funds to pay for them, I am told that special tax rules come into play that considerably increase the cost of providing the benefits by applying a refundable tax of 50 per cent of all revenues to the plan.

The Members of Parliament Retiring Allowances Act was amended in 1992 to conform with the rules we expect other employers to obey. Part I of the plan provides the benefits that are permitted under the tax rules, while part II provides the benefits that are offside of the rules. The benefits are provided on a funded basis, which means the contributions are made at a level that provides for the 50 per cent tax I mentioned.

While this is a complicated and technical area, it is important to understand the plan provides an arrangement that is not denied to any other Canadian by law. The reason it is done this way is to ensure we disclose to the public the full cost of providing the benefits on the basis available to any other employer. That is why the government is paying taxes to itself to ensure full disclosure.

Having ventured into the arcane and mysterious world of tax treatment of pension plans, I will with some trepidation presume to place on the record a few thoughts about the financing arrangements for MPs pensions.

We have heard many allegations about the total amount that members will receive in pension benefits over their lifetime. Often these comments are accompanied by the suggestion that there would be huge but unknown demands placed on future taxpayers to cover the cost of pensions. The suggestion is that

we are hiding from the public the total obligations that are coming in the future. This is simply not true. It is not the case.

(1615)

The Members of Parliament Retiring Allowances Act imposes the requirement that each year the government contributes the amount which together with members' contributions will pay the cost of benefits earned by all serving members in that year. This means that enough money must be put in the pension account and shown as a government expenditure to provide for all pensions that will be paid in future in respect of members' service in that year.

In addition, every three years a report must be tabled in Parliament from the government's actuary giving his professional advice on whether or not the amounts in the plan are adequate to cover all the benefits to become payable under the plan. If there are shortages, the government must make additional contributions to cover them. This is disclosure.

While the funding of pensions is another complex and technical area, the point to be understood is that the full cost of all benefits, including those which may not be payable for many years hence, are recognized and expensed as the liabilities accrue. There are no hidden obligations which will only surface at some future date.

As I have indicated, these pension arrangements are legal. The proposal in Bill C-85 will make them significantly less generous for the future. I do not suggest this pension plan will be typical of the retirement arrangements found on average. It will still constitute a very good plan. Undoubtedly, some of the public and some members feel we should have gone further than a 20 per cent reduction in pension, but the consequences of such a step should be examined.

Rational people would agree that you get what you pay for. They would agree that members of Parliament should be fairly compensated for the work done on their behalf. It is unlikely that many of us are here for the generosity of the compensation package. I hope we are here in the spirit of service to our fellow citizens. We are here to do a very important job in the best way we can to serve our constituents.

The decision to seek public office is seldom an easy one in personal terms. It may involve personal sacrifice for each and every individual and for those closest to him or her in terms of their private time and their privacy. It certainly can involve financial sacrifice in terms of interrupting or abandoning a career outside government.

The question is: What level of compensation do we believe is necessary to ensure that qualified individuals continue to offer themselves for the service of this great country?

The Sobeco study commissioned by the previous government and tabled in 1992 certainly indicated that the overall

Government Orders

compensation package for members of this honourable House was less than that provided to individuals employed in other sectors in terms of what the report sees as equivalent responsibilities.

The authors of that study, who are professionals in the compensation field, did suggest that one element of the package, the pension plan, was unduly rich and should be cut back in favour of greater direct compensation. We are making a 20 per cent cut in that level of pension and instituting a pensionable age, a step the report also recommended. We are not increasing our pay. In fact, sessional indemnities remain frozen at the 1992 level and will for two years to come, and maybe more.

We have gone a long way in Bill C-85 in responding to the public's outcry that we do reform MPs pensions. We have gone beyond the promise in the red book that there would be an age limit and that we would reduce the input. We have responded to the public's interest and to their concerns while maintaining a compensation package that will not discourage well-qualified candidates from coming forward to serve this great institution.

(1620)

We should not be reluctant to say to Canadians that we believe what we are doing on their behalf is important enough that it warrants a fair compensation package and that we will listen to their response.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, the member was trying to tell us how justified members of Parliament are in receiving the compensation and how we are entitled to receive fair compensation.

Nobody denies fair compensation. Nobody denies a bank president, a janitor, a farmer, a parliamentarian just compensation. What we are talking about here is the pension plan that is uneven. It can reward one parliamentarian to a tremendous degree and another parliamentarian perhaps to a smaller degree and it is called fair compensation.

Not only that, the member talked about how members contribute and the government as the employer contributes. Therefore it is all out in the open as to how much it costs Canadian taxpayers for the pension plan.

Can the hon. member tell me how much over the last year the Government of Canada has contributed to the members of Parliament pension plan?

Mrs. Brushett: Mr. Speaker, it seems to me that hon. members who have come here have not come looking for a pension.

Mr. Williams: Then they should walk away from it.

Mrs. Brushett: They have come to serve their country. Let me give members a personal note as to why I am here.

The Acting Speaker (Mr. Kilger): Again, to remind colleagues that within parliamentary debate there can be a great risk if we become too personal in our discussions across the floor of the House. Respecting that a question has been asked by one member, we now will hopefully hear the reply from the member for Cumberland—Colchester.

Mrs. Brushett: Mr. Speaker, it is difficult to remain objective when we wonder what motivates others.

The pension plan is equitable for all members who are serving this honourable House. We have fulfilled a promise according to the red book to the public of this country and they are satisfied.

The hon. member refers to a bank manager. The bank managers I read about in most of the annual reports are earning something like \$350,000 or \$500,000 a year. Hon. members of this House earn \$64,400 a year. That is the salary of hon. members of this House.

The pension is equitable for the amount of fairness in the system and in equation to our frozen salaries and is meeting the needs of the economic recession we are in. We have done the reform that badly needed doing. We have responded to Canadians and Canadians are satisfied.

Any Canadian who elects someone or throws someone out of office of this hon. House will not do it on the basis of the pension plan.

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, I appreciate the opportunity to ask a question on this very issue.

I would like to comment first on a figure just given by the hon. member. If the bank managers could hear the statistic that was quoted, they would be delighted if it were reality. For a bank manager to earn \$350,000 would be by far the exception rather than the rule in this country, certainly the ones I am personally aware of. Perhaps this shows a lack of a sense of reality in this country.

(1625)

Has the member calculated how she herself would benefit from this pension plan as compared to other pension plans? I wonder if the Liberal members have done that and then compared it to what they would have earned in another pension plan. I am not familiar with the hon. member's background, but what would her pension have been in her previous occupation?

Mrs. Brushett: Mr. Speaker, in response to the first part of the hon. member's question, from the annual reports of the Royal Bank of Canada and Bank of Nova Scotia, the salaries of the CEOs are quite significant. If the hon. member checks them out she will find they are substantial. The average salary for an elementary school teacher, as I understand it, is approximately \$55,000 to \$58,000. I do not think it is appropriate to use the time of the House to go down the list of salaries.

*Government Orders***GOVERNMENT ORDERS**

In terms of my previous life, my background was in science and research and I was a business woman. This is my first experience with a pension plan. I have always invested—

Mr. Williams: And you cannot wait to get it.

Mrs. Brushett: I hope I live long enough to get it, with the long days we put in seven days a week. I believe the constituents in my riding knew they were getting a hard worker which is why they elected me. It was not because of the pension plan. It will be in addition to or will supplement investments I have made. I remind the House that I still have children in university. Who knows what is ahead of any of us down the road?

This is an equitable and very fair plan. We have kept the promise to the people of Canada that we would reform. We have set the age limit which was an important factor in this country. We have reduced the luxury of this pension plan in relationship to the salary that members of this honourable House are paid and the package that is there, those who will attain it.

I must remind the member also that more than 50 per cent of members who come to this House never receive a pension. That is a very important factor to keep in mind.

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think you will find unanimous consent for the following motion. I move:

That the Subcommittee on Aboriginal Education, composed of five members, of the Standing Committee on Aboriginal Affairs and Northern Development, be authorized to travel to Vancouver–Sechelt, Kuujuaq, Cornwall, Cape Breton and Conne River from May 9, 1995 to June 3, 1995, and that a staff of three do accompany the subcommittee.

The Acting Speaker (Mr. Kilger): Does the hon. parliamentary secretary have the unanimous consent of the House to move the motion?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to.)

[English]

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

The House resumed consideration of the motion that Bill C-85, an act to amend the Members of Parliament Retiring Allowances Act and to provide for the continuation of a certain provision, be read the second time and referred to a committee; and on the amendment.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I am pleased to participate in the debate on Bill C-85 on the pension plan, which has been brought before us. This is the Liberal government's attitude toward reform and, according to the last speaker, this was equitable.

The previous speaker talked about the fact that because our salaries are so low we need this exorbitant, gold plated pension plan that is an obscenity in the fiscal arrangements of Canada. Even though the member was arguing about the fairness of this, she admitted that 50 per cent of members do not collect. That just totally destroys the argument right there.

If we are concerned about inequity in the salaries or compensation arrangements, that we are entitled to more, then surely we get a larger salary, not a larger pension. The pension is not the compensation for the work we do in this House. It is to keep us going in the years when we are unable to work because we are so old and decrepit. That is the theory of pensions. We find that while private and government sectors consider 60 or 65 to be the normal age before you are too old and decrepit to go to work, for parliamentarians it is 55, because we work so hard and make such a great sacrifice for our country. If I look around this room I do not think I will find one person who was dragged in here kicking and screaming in order to make a sacrifice for the country. They are here because they have chosen to be here.

(1630)

Before they came here they knew what the salary arrangements were and they knew what the pension plan was. That is why they said: "Now I am here, I want to hang on to what I have. We know the Canadian public is mightily upset by what we have, therefore we will make a bit of a change and hope the masses quiet down so we can ride off into the sunset at age 55 with an indexed pension plan which will keep us going from the day we retire in our anonymity and enjoy the sun in our retirement at the expense of other Canadians".

This has been a debate today unfortunately about mistruths, half truths, innuendoes, blatant twisting of facts. The previous speaker talked about the benefits we pay under Bill C-85 being perfectly within the limits of the Income Tax Act. Of course they are. The only problem is every other Canadian has to work 30 or

Government Orders

35 years before they accumulate the same benefits we under this new bill will acquire in 19 years. Before that we acquired it in 15 years.

The previous speaker also said the contributions we make fall within the limits of the Income Tax Act. They do but let us take a look at the Income Tax Act. Members of Parliament have two pension plans. Let every Canadian know we have two pension plans.

The first meets the definitions of the Income Tax Act which say the maximum benefit we can get is 2 per cent per year. We make a contribution to a pension plan that falls within normal, allowable limits.

Then we make the contribution to the top up, the Retirement Compensations Allowances Act. Nobody else can have a top up because there is a penalty. An employer who has a pension above the bottom one has to pay a 50 per cent tax to the federal government. The federal government cannot pay a tax to itself, therefore it can have the top up pension plan with absolute and total impunity.

That is why we have built the rules and the House has made the rules to accommodate members of Parliament who have been able to bend them for their own benefit. Nobody else can even think about having a pension plan as gold plated as ours, even though it may be legal, because there is a 50 per cent tax applied.

I mentioned we have mistruths, half truths and innuendoes. I could use worse words but you may want to intervene, Mr. Speaker, so I will leave it at that. I am sure everybody knows.

Let me quote a release dated April 20, 1995 from the Treasury Board secretariat, quoting the President of the Treasury Board in relation to Bill C-85: "The bill goes even further than the red book commitment and will reduce government spending on MPs' pensions by 33 per cent". That amounts to \$3.3 million of the \$10 million the plan currently costs the government.

(1635)

Let us take a look at cost. Cost is perhaps the central issue in this whole argument. House of Commons estimates, 1995-96, table 5, under "Members of the House of Commons—salaries and allowances of officers, members of the House of Commons under the Parliament of Canada Act and contributions to members of Parliament retiring allowances account and the members of Parliament retirement compensation arrangements account" are \$56,352,000.

I go back to the release from the Treasury Board that this amounts to \$3.3 million the \$10 million the plan currently costs the government. There was a little discrepancy there I thought.

There is \$56 million in the estimates and \$10 million released by the Treasury Board.

I checked it out. I went back to the public accounts 1994, table 7.9: "Members of Parliament retiring allowances account". Contributions by members are \$944,000. Contributions by the government are \$2 million. The top up is contributions by members, \$1.5 million; contributions by the government, \$10.3 million.

The previous speaker said we contribute and the government contributes. If there is a shortfall the government contributes more. How much is more? I went to the 1993 public accounts, table 7.9: "1991-92 actuarial liability adjustment" under the members of Parliament retiring allowances account, \$158 million; for one year \$158 million extra actuarial liability adjustment. In the year 1991-92 that is what the Government of Canada paid to top up the unfunded liability of the members of Parliament pension plan, right here in the 1993 public accounts.

I am quoting from the government document. During that year members contributions—this is just the ordinary one, this is not the top up—were \$945,000. Contributions by the government were \$2 million. A bit of smoke and mirrors crept in here. After we threw in \$158 million the fund goes up and to make sure the pot is relatively sweet we are paying 10 per cent interest on that. The interest the government paid jumped from the previous year of \$3.4 million up to \$20 million of interest the government threw in on top of its own contribution. It is still liable if it is underfunded to pay the extra.

Those are direct quotes from the Public Accounts of Canada.

Mr. Milliken: That is not a direct quote.

Mr. Williams: It is a direct quote. One hundred and fifty-eight million is what it cost Canadians extra; extra for the ordinary pension plan. I have not even talked about the top up provision. That is from the Public Accounts of Canada.

That is why Canadians are absolutely outraged. We talked today about the member for Beaver River who believes she walked away from a pension plan in which she would receive benefits in the neighbourhood of \$1.25 million. I said to her: "Does that make you an ex-millionaire or a could have been millionaire?" We talked about that a little bit. We did realize that for everybody who opts into this pension plan they are want to be millionaires.

(1640)

That, at the taxpayer's expense, is totally and absolutely unjustifiable. There is that ad on TV: Retire at age 55, freedom day on the beach in Bermuda; shorts, the sun is up. He is there with his wife. The ad says: "This could be you, too". Of course it is you over there.

Government Orders

The Acting Speaker (Mr. Kilger): Again I remind the House and all participating in this debate that all interventions will be made—I will remind you as often as I need to with the greatest of patience that I can find—through the Chair.

Mr. Williams: Mr. Speaker, I apologize. It was within context. I hope you appreciate that.

The ad I was talking about says: “You could be there”. I was not referring to you, Mr. Speaker. I was talking to the government side.

The point I am trying to make is here we have written the perfect plan paid for by the taxpayers of Canada, not by one’s own resources: age 55, on the beach in Bermuda, lapping it up, a drink in your hand and everybody else is back home working.

That is a crying shame. One of the other things I was thinking about was in the New Brunswick *Telegraph Journal* on May 3. There is an article about the indebtedness of Atlantic Canada as if Atlantic Canada were a country.

It says the indebtedness of Atlantic Canada would be somewhere between Uganda and Nigeria, in the most severely indebted countries: “The ratio of net public debt to GDP ranges from 121.8 per cent in Newfoundland to 93.1 per cent in New Brunswick”. Here we are in Atlantic Canada drowning in debt.

The federal government and the provincial governments have a responsibility to manage our resources for the benefit of all Canadians. Here we are lapping it up for ourselves at the same time as we are allowing the country to dig itself into a hole \$550 billion deep with no sign whatsoever that the government can even get out of it.

It is making the hole even bigger and yet its members continue to say: “It is a sacrifice for us here in the Parliament of Canada. We need this gold plated pension plan”. Everybody else has to struggle for their jobs, struggle for their paycheques, pay taxes through the nose so that we can, with a gold plated, freedom 55 pension plan, be on the beach in Bermuda courtesy of the Canadian taxpayer. I do not think that is good enough.

I have an article about Liberal broken promises which says the Liberals promised not to increase the tax burden of Canadians. That is in the red book. We find in the last budget taxes are going up 1.5 cents on a litre of gasoline. Corporate taxes are up. Surtaxes are up. Everything is up.

The poor taxpayer is finding we are grabbing more and more money out of his pocket while he is concerned about his job. He is concerned about his mortgage as interest rates go through the roof. He is concerned about the education of his kids. He is concerned about what his kids will do, whether they will get a decent job while we take more and more taxes out of his pocket

so we can make this great sacrifice and go and sit on the beach in Bermuda with freedom 55.

The Liberals promised to base federal appointments solely on competence rather than patronage. We heard the President of the Treasury Board today tell us about how he would put an end to double dipping.

This bill would stop double dipping because Canadians are fed up to the teeth with our gold plated pension plan in one pocket and a government salary in another pocket and maybe two pension plans after that is all done in another pocket. We can get out there and enjoy life after the great sacrifice we make while they have to pay after they try to educate their kids and pay their mortgage.

(1645)

When he defined double dipping he said if you get money out of the general revenue fund of the Government of Canada, that is double dipping and therefore your pension is going to be reduced dollar for dollar.

Patronage appointments are things like being appointed to the board of Air Canada or to other boards of crown corporations. I was reading *On the Take* about the days when to be appointed to the board of Air Canada was a coveted patronage position, because, next to the Senate, which had all of the privileges granted by this House, the Air Canada board allowed people free Air Canada passes wherever Air Canada flew.

Appointments have been made by the government to crown corporations and not a nickel of the payments made to those people come out of the general revenues of the Government of Canada. Therefore double dipping will continue under this proposed Bill C-85 just as much and just as unjustifiably as it was before. And they tell us they have reformed the system. Reformed? Not one bit.

It goes on and on. They tell Canadians that they are going to get this place organized, that they are going to ensure that they will make a great sacrifice and that this country will get back on some kind of economic sound footing. Unfortunately, the only people who will get themselves on a sound footing are the people who get themselves elected to this House to make that supreme sacrifice of getting the gold plated pension plan so that they can get their freedom 55 and sit on the beach in Bermuda and enjoy it all while the poor Canadians have to work to pay the taxes and the debt and look after the kids.

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I did want to have an opportunity to ask the hon. member a question and perhaps make a comment in advance of doing that.

He is quite right that MPs do make sacrifices. One of the sacrifices I have had to make is to give up one of my favourite pastimes of reading fiction. Fortunately, sitting in the House today has been some compensation for that.

Government Orders

Let us talk about the figure of \$156 million that he bandied about. Let us understand what that is. That is an accrual figure. For those members who understand a balance sheet, it would be like counting depreciation as a cash layout. It is not any such thing. It is a liability that would suggest that if every member of Parliament lived to their actuarial age and if every member of Parliament qualified for a pension, that would be the lifetime expense of the pension. First, 50 per cent of MPs never receive it, so that figure is nothing but an accrual figure that is used by actuaries who are dealing with a pension plan. It is not a true government expense.

Let us get down to what the true government expense is. Right now, under the present regime, it is between \$10 million and \$11 million. That will drop by 33 per cent.

Let us put into context what this great party across the way is battling and why it is so worried about economic concerns. This represents six one-thousandths of one per cent of the total government expenditure. The party that has come here to control expenditures, the party that has come here because Canadians have told them that we are spending too much, has all of this outrage to deal with six one-thousandths of one per cent of government expenditure.

Let us put it in a better light. If a member was earning \$40,000 a year and decided they needed to cut back on their expenditures, the amount the MP's pension would represent in equivalent terms of that \$40,000 is \$2.40. That is all they would be dealing with, and that is all we are dealing with in the cost.

(1650)

So I think that when the member describes these expenditures he should do it accurately and in the appropriate context.

I have one other point. He talks about the fact that double dipping is going to continue. I point out there are four members of his party who are double dipping using the definition he just used. I ask the hon. member: Are those four members going to stop their double dipping? Will they stop drawing their pensions from the public purse while they sit in this House and draw the MP pension? Or are they going to continue with double dipping? It will be interesting to hear the answer.

Mr. Williams: Mr. Speaker, you will recall that in my speech I did say this was a debate of mistruth, half truths, twisting the truth and so on.

To answer the member's question, in the Public Accounts of Canada, 1991-92, on page 7.9, and in the 1993 public accounts, volume one, it does say quite specifically "an actuarial liability adjustment of \$158 million", which he tried to tell us was just one of those fictitious accounting entries that mean nothing to Canadians. The only point is that the following year this fictitious accounting adjustment that means nothing attracted

about \$17 million worth of interest the taxpayer had to dig into his pocket to find. In 1991-92 the interest paid on the retirement allowances account was \$3.44 million, and that jumped because the value of the fund went up because they put in \$158 million of taxpayers' money. That interest jumped from \$3.4 million to \$20,493,768. That is accurate. I am quoting from the public accounts.

I am saying this was real money the Canadian taxpayers had to come up with. That is the shame of the whole affair. Remember I quoted the President of the Treasury Board when he said that this new plan would reduce the costs by 33 per cent. That amounts to \$3.3 million of the \$10 million the plan currently costs the government.

I recall the questioner saying this \$158 million was some kind of fictitious accounting adjustment to bring things all the way through to cover off pensions that would not be paid. This is an actuarial liability adjustment. The plan needed that.

I never talked about the retirement compensation arrangements account, which will likely need a significant top-up as well. If the member cares to read the public accounts, he can study how his government spends its way through \$165 billion.

They talk about balancing the budget, yet spending stays constant. They hope to squeeze more taxes out of Canadians in order to balance the budget. If they think that is the way to go, let them go back and ask their constituents if that is what they want, if they want the government as they balance the budget to take them by the neck and give them a rattle and a shake until the money falls out so that we can pay these pensions and balance the budget. I do not think so.

Mr. Mitchell: I will ask my question again, because there were two questions. I got a part answer in one and no answer in the other. I will start with the one I did not seem to get an answer to.

There are four members of your party who are double dipping by the definition you used.

The Acting Speaker (Mr. Kilger): I would caution members to please put all interventions through the Chair.

Mr. Mitchell: Mr. Speaker, there are four members of the third party who, using the definition of the last speaker, would be considered to be double dipping using the term the way we use it here. I had asked for an explanation as to whether those members will stop that practice that he finds so abhorrent. That would be the question.

(1655)

Now the second question. We talked about that famous line, and those of you who know how to read a balance sheet know that an accrual figure is not a cash expense. I ask the hon.

member to say what is the cash expense to the government for the past fiscal year. That is debatable.

What I really want though is the answer to that question about those four members of the third party who are doing the double dipping, as he describes it.

Mr. Williams: Mr. Speaker, it is hard to come up with figures just on the spur of the moment. When we are trying to find our way through \$165 billion worth of spending it is difficult sometimes to find exactly where the numbers are. On spending cash, writing cheques, let me see if I can find it.

From the 1993 public accounts we made payments and other charges, annual allowances—and this is out of the ordinary pension plan—of \$9.8 million. Out of the other one we paid out \$13 million or \$14 million. This totals about \$23 million, and we as members only contributed 10 per cent of that, about \$2.3 million.

To answer his other question, their definition of double dipping is to be paid out of the general revenues of Canada. As far as I am aware, no member of the Reform Party is getting paid out of the general revenues of Canada or is enjoying a patronage appointment by the federal government. Therefore the innuendos he applies to the Reform Party are totally false.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I intend to split my time with the next speaker. I would like to indicate that. It is a pleasure to participate in this debate.

I move:

That the House continue to sit beyond the ordinary time of daily adjournment for the purpose of considering the second reading stage of Bill C-85, an act to amend the Members of Parliament Retiring Allowances Act and to provide for the continuation of a certain provision.

The Acting Speaker (Mr. Kilger): Will those members who object to the motion please rise in their places?

Fewer than 15 members having risen, pursuant to Standing Order 26 the motion is adopted.

(Motion agreed to.)

The Acting Speaker (Mr. Kilger): Just to set matters straight, having been given an indication previously, before the parliamentary secretary moved the motion he gave an indication to the Chair and the House that he was splitting his time. I would interpret that to mean that the member for Durham will have ten minutes for his speech and there will be five minutes for questions and comments. Resuming debate, the hon. member for Durham.

Mr. Silye: Mr. Speaker, on a point order, if extended hours have been requested, to what extent will the hours be extended?

Government Orders

The Acting Speaker (Mr. Kilger): As I understand it, there are no limitations under the motion that was moved and agreed to.

Resuming debate, the hon. member for Durham.

(1700)

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, it gives me great pleasure to speak in the debate on Bill C-85. I do not think any piece of legislation has enraged people in the country more than the concept of MP pensions.

I remember back to my days in private professional practice when we said we should not drive a car our clients could not afford. I think in some ways that is how people regard MP pensions.

The system being revised here today is possibly better than most private pension plans. Possibly one problem we have in the whole issue of debate is we have not properly focused on the whole concept of remuneration of members of Parliament, and MP pensions are one factor.

Unfortunately things often get confused in Ottawa when we look at various aspects of remuneration, even in the public service. The public service has something like 1,400 separate agreements that cover remuneration for public employees.

The point I am trying to make is when we look at pensions we cannot strictly look at the concept of pensions and compare them with private industry. We have to look at the whole concept of remuneration of members of Parliament.

Another aspect is exactly what does the public expect and what kind of qualities and qualifications do members of Parliament need to come to this place? For most people it is not a matter of money. I believe that is true of all my colleagues in the House. In my case I really did not even know how much members of Parliament got paid until I came here. When the first paycheque showed up in my bank account it quickly enlightened me to the fact I was being employed for less than half of what I made in the private sector.

The government commissioned an independent study to review the whole matter of MP pensions and also remuneration of members of Parliament. The study came back basically saying reduce MP pensions to reflect the norms of the private sector. At the same time it talked about changing the entire way we are remunerated in terms of salary.

The reason our salaries are so strange goes back over a long period in our history and there are some aspects that have been picked up over time that probably belong to the past. I suppose it is much like laws on the books in Parliament. We often take a great deal of time to update and modernize them.

Government Orders

That is what is happening with this whole issue. The government clearly has gone far beyond its commitments. I will read from the red book because there seem to be points members opposite have missed entirely. It says Parliament will end double dipping. That is what this legislation does. It also talks about reviewing. I point out and underline it says "review the question of the minimum age at which pensions will begin to be paid". We are doing more than reviewing them. We are changing them, moving them to the age of 55.

We have actually surpassed the red book commitments because we also have talked about the accrual rate at which we can receive pensions. Currently the accrual rate is 5 per cent which means we get a 75 per cent pension after 15 years of service. By reducing from 5 per cent to 4 per cent we have increased the number of years we have to be in the plan to get a 75 per cent pension from 15 to 19.

We actually have a reduction in the total remuneration of members of Parliament. It is a wage roll back. Not only have our salaries been frozen for a number of years but now the government, through this initiative, has actually reduced our salaries, our remuneration, which includes pensions as a part of that.

(1705)

Clearly this goes way beyond our commitments to the public. We have ended double dipping. The first \$5,000 of other income a former member can have from an appointment or whatever is excluded.

Any moneys over that, he will have to basically claw back off his pension. If somebody were to get a \$50,000 appointment and were collecting a \$12,000 pension, he would not get any pension at all.

There is a very interesting study by Mr. Jeffery. This is very interesting, very allusive for some of the members of the Reform Party who are so quick to possibly give up their options in this plan.

These are members of the former Parliament. I have little clips here. It is very allusive as to how members' remuneration is affected after their life in Parliament. We all think we will be here forever.

The reality is, as many of my colleagues have mentioned, less than 50 per cent of members will ever collect a pension. Here is a quote from a former member: "My advice to those who are neither on leave from a tenured position nor wealthy would be not to seek office until sufficient means to live independently beyond leaving office". These are people who have paid the price: "Life after defeat was quite different. I feel that my time in politics has drastically curtailed my credibility when seeking employment. So much for service to one's country".

Another quotation: "My experience as a member of Parliament was a major hindrance to finding employment". This is from a cabinet minister: "Cabinet experience was no great help, not compared with the loss of income opportunities over 17 years".

Another quote: "My oldest son is about to enter university. I had hoped my retirement allowance would be available to fund his education if necessary. It has been required to keep up the mortgage".

If I had to retire after 22 years in the House on my gold plated pension, the euphemism often given by the Reform Party of \$46,000 without additional income from a job, I would be in tough shape.

The record is very clear about what we are talking about. What we are talking about is the remuneration of people who have given up their careers or whatever to come into this great House.

In some ways I see MP pension as a form of danger pay. These are things that do not really make the *Toronto Sun* or for that matter the National Citizens' Coalition.

We talked about the fact that less than 50 per cent of members collected. Another interesting statistic is that of the ones who do collect, the 50 per cent who do collect, less than 30 per cent receive pensions in excess of \$50,000.

Why is that? It is because they are unable to attain the six-year vestiture period. My Reform colleagues constantly argue why this is not comparative to the private sector. If the private sector were involved the vestiture period would be two years.

I wonder why some of our Reform colleagues are opting out of this plan. There is another interesting aspect. Right now MPs are required to contribute 11 per cent of their pay into this plan. The new plan will be 9 per cent.

Could it be that the Reformers are not very good savers? What they want to do is spend. In other words, by taking the 9 per cent of these pension contributions they will give themselves more disposable income. Could it be they are not very good financial advisers, not very good at managing their own affairs? They want to spend for today rather than save for tomorrow.

(1710)

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I am pleased to have the opportunity to address the issue of MP pensions today. We are debating Bill C-85, which should be entitled an act to make minimal changes to the gold plated MP pension scheme.

I have heard Liberal members speaking about their MP pension plan and they do not want to give it up. They sound like spoiled children, whining about how difficult life would be if

Government Orders

they did not have their MP pension plan. I hear the sound of violins out of tune on the other side. It is really pitiful that we have to listen to this screeching, wailing and complaining. Canadians deserve better than what they are getting from their Liberal representatives today.

My colleagues and I in the Reform Party are proud that our constant pressure on the issue has finally led to some government action. It did not want to do anything. Unfortunately the government has failed to propose any meaningful changes and as a result the bill falls well short of what the public expects and what Reformers can accept.

What the government fails to understand is that all of us in the Chamber work for and are paid by the public. We must ensure the compensation package for members of Parliament, including the pension portion, is in line with public sector standards and what Canadians want to pay us. We must respect taxpayer money as if it were our own. I would like to repeat that because I do not think the Liberals understand. They do not think about the concept that we must respect taxpayer money as if it were our own.

We would not spend money foolishly. We would not spend it so extravagantly, especially if we were running a country \$550 billion in debt. I do not know why the Liberals cannot understand taxpayer money is very important. It is precious. They worked hard for that money. Why should they see it so extravagantly thrown to the wind?

I know the Prime Minister and many others on the government side have waxed poetic about all the hard work MPs do. It is true that the majority of MPs do work very hard. What the government forgets is most Canadians across the country work very hard also. I do not think any Canadian gets the kind of pension plan MPs receive. None of them receives such a lavish, extravagant remuneration after their retirement or defeat.

Canadians are aware of the long, hard hours members put in and I do not think they actually begrudge the salary of a member of Parliament. After all, there are many professions in Canada where the pay is higher than that of a member of Parliament. Senior teachers, for example, can earn in excess of \$65,000 in some jurisdictions, and sometimes school board officials receive upward of \$100,000. What angers Canadians are the pensions of MPs. There is no private sector precedent for such a lucrative plan.

It is important to recognize the opinions of Canadians matter when it comes to issues of members' pay and pension. The government has forgotten that it is the Canadian public that it is here to represent. It is the Canadian public that it works for. It is the Canadians who pay all the bills. It is a strange arrangement where the employees design their own pension plan and brag about it even though it outrages Canadians, the people who actually pay the bills. The views of the taxpaying public on this issue should be heard and respected.

The government is only going through the motions of pension reform. It reminds me of lip syncing the old country and western song, "If you've got the money, honey, I've got the time". Government members have years and years of a retirement life with \$30,000, \$70,000 a year, totalling in some cases several million dollars. Perrin Beatty, recently appointed as the president of the CBC, has an MP pension which will total over \$5 million by the time he reaches 75. The MP pension plan attracts selfish opportunists to political life.

I heard a member of the NDP saying members have to be paid properly if we are to attract good quality representatives to the House. I do not believe that. I believe the motives of the members of this place must be higher than fixing their sights on the remuneration and the pension plan they receive. It is a bit revealing when we hear members discuss these issues as to their motives for seeking election and why they are here.

(1715)

Bill C-85 is a cynical attempt at a public relations job rather than a significant policy change. The Liberals are trying to give the appearance that they are taking action on the issue of gold plated MPs pensions but in fact are not.

The government is making what it sees as the minimum necessary changes in its opinion to the pension plan. It is the least it could do, and certainly it does the very least.

The Liberals have decreased the annual accrual rate of benefits from 5 per cent per year to 4 per cent. The provision makes a minor change in the rate at which pension benefits increase, but it does not change the maximum pension amount members can receive. It slightly increases the time it takes to reach the maximum. There is no substantive change here. There is a slight accounting change that has been dressed up to give the public the impression of reform. It is not the real thing.

It is a lot like the noise the finance minister made about real cuts to overall spending in his budget. Total spending this year will be higher than the total spending last year. Despite this fact the Liberals have their spin doctors and media people spinning a tale of real spending reductions when there has been a spending increase. Canadians know who the real reformers are and they are not on the government benches. The legislation proves it.

I can hear the Minister of Health saying that instead of a very, very generous pension plan it is a very generous pension plan.

It is difficult to find a positive side. The positive side is by far the smaller side on a multi-sided sphere. On the positive side the government has established a minimum age for eligibility although it is set pretty low. I wonder how many private pension plans set a normal retirement at age 55. The normal retirement age is 65.

Government Orders

The old age pension begins to be paid at age 65. If people in the private sector take early retirement they receive lower and lower benefits for each additional year they draw from the plan. This is done with private sector pensions because it is believed they should be actuarially sound. This concept seems to be foreign to a government that thinks it does not matter if the numbers add up at the end of the day, that it is somebody else's money and that it will do with it as it pleases.

The government does not have the foggiest notion of the consequences of lavish spending that has sunk us over \$550 billion in debt. It says that we should look after ourselves. It is the selfish baby boomer MPs who say: "Too bad for the rest of you. Good luck to future generations. We don't care if we bankrupt you. It is your tough luck".

The 55 years of age provision is better than what we had before. If I suddenly won the 649 and became a multimillionaire I could walk away from this place, if I were an irresponsible person. I assure the House that I am not. Had I won the election in 1988 when I first ran I would have been here for six years and would have been able to receive the gold plated pension at age 42. The 55 figure is a little better but certainly not what Canadians are asking for.

Again the Liberals have done the very least. They have made minimal changes. The government does not realize, or perhaps it does not care, that if the benefits are too high and retirement age is too low it will have to dip into public money to make up the difference. The Liberals seem to have trouble differentiating between public money and their own. It is no wonder the country is in debt up to its eyeballs. Again the government is going with the minimum necessary to give the impression of change. It does not realize that the public sees through this type of masquerade.

The elimination of double dipping that used to occur through members taking another federal job or patronage appointment is a positive move. I am pleased that in the face of public opinion and constant pressure from Reform benches the government is beginning to move on the issue.

There are many examples of people in patronage appointed positions who are collecting the MP pension. I will name a few. Ed Broadbent has apparently taken a slight reduction in his salary just so he could keep on receiving the MP pension plan. He was not going to be reappointed to his position unless he knuckled under. He would have gladly taken that pension had his term not expired and had he not needed to be reappointed.

I mentioned Perrin Beatty a little earlier. We also know that Mr. David Berger was named an ambassador. He still gets his MP pension. They had to do some wheeling and dealing to make it politically acceptable. He had to state that he would take a lesser salary than he would normally take to compensate for the pension.

It points out to the House that there is a chance for behind the scenes manoeuvring in the setting of salaries. Certainly it is not the type of scenario we want to allow retired members of Parliament to find themselves in. They are very vulnerable to corruption and wheeling and dealing behind the public's back with regard to their salary and total pension benefits.

(1720)

In some cases the recipients of a cushy patronage plum will announce their new salary is being reduced by the amount of their MP pension. How can the taxpaying public know the high salary these people are paid would not have been different if the appointee did not have a fat pension? The whole system has the potential for abuse. It is all smoke and mirrors with the Liberals. Why do they not simply get into step with the rest of the country and come clean about the details of the appointments and positions?

The pension scheme remains out of line with what other Canadians have available to them. What they would approve for us brings up a very important issue, the issue of making the plan voluntary or having an opting out or opting in provision.

Bill C-85 includes an opting out or opting in provision, however we want to look at it, that is designed solely for the purpose of trying to get some crass political advantage for the government. It does not allow long time members of the House the option of completely leaving the plan. Only members elected within the last six years prior to the 1993 election have the option of refusing to participate in this taxpayer rip-off. That includes those elected for the first time in 1993 and in 1988. My hon. colleague from Beaver River was elected in a byelection in 1989. Incredibly the government wants to make it mandatory for all future members.

If it is good enough for us to have a chance to opt out or opt in now, why not for the class of 1997 or whenever the government screws up the courage to call an election? Why just the one-time opting in or opting out option? What possible reason could the government have for denying future members of the House the freedom to opt out of this gold plated scheme?

The government obviously views membership in the Camber as some sort of caste system or inherited aristocracy. MPs are not royalty. I am getting worked up. I am very serious about the issue. It really bothers me. Members of royalty are specifically excluded from becoming members of Parliament despite Liberal attempts in this place.

Future members of the House should not be forced to inherit a royal pension. Why should we in the 35th Parliament have the privilege of opting out while it is denied to future members? This may be a question of privilege. The government is attempting to create a two-tier pension scheme: one for members with a

conscience and one for those who want to get as much from the trough as they possibly can.

I was listening to my colleague from Calgary Centre. He gave a very good illustration of the confusion around the pension plan. He said that originally we thought we were to have trough light and trough regular. Now he has found out there are trough regular, trough light and trough stout.

The problem with the bill is that some of us want to abstain altogether. Future MPs will not be allowed that option and that is wrong. The legislation needs to be changed to correct a terrible precedent. The government is attempting to create a two-tier pension scheme: one for members with a conscience and one for those who are out for themselves, those who call themselves number one rather than the Canadian taxpayer who is paying the bill.

There is no reason why all future members should not have the choice of opting out of the pension scheme. It is unacceptable that future Reform members, and there will be many, will have to participate in this outrageous pension plan along with future Liberal members, if there are any.

If the government arranges it so that no members can opt out, I suppose Liberal MPs can continue to show sympathy for overburdened taxpayers who complain about MP pensions without having to make any sacrifices themselves. The only way to solve the problem and clear up the mess is to elect a Reform government and create a modest and a respectable pension plan, one of which we as MPs can be proud. We would not have to hang our heads in shame because we contribute to such a plan and, even worse, collect from such an outrageous plan.

The Liberals know that the way the current severance package works for defeated or retiring members could be affected by exercising the opting out provision of the bill. They knew this yet made no provision for those effects of the legislation. They are trying to place many disincentives for opting out in the way of members wishing to do so. It is nothing more than an attempt to punish members for doing the responsible thing and opting out of a system that is unfair and out of line with the expectations of Canadians.

(1725)

Canadians are well aware of the ratio of public money to members in the contributions to the plan. They know the current pension plan would contribute \$4.1 of taxpayers money for every dollar that members contribute. The minor changes in Bill C-85 move this ratio to \$3.6 to \$1. That is not much improvement when the number should be \$1 to \$1. The design of the pension plan is a little less scandalous, a little less immoral, if we follow the provisions of Bill C-85.

Government Orders

Canadians are not happy that they contribute over three and a half times as much as members will to the new scheme. The ratio comes nowhere near the approximate \$1 to \$1 ratio used in the majority of private pension plans. Canadians are not happy with the souped up benefits for MPs. They want to know what justification exists for this imbalance.

Miss Grey: None.

Mr. Hermanson: The member for Beaver River says there are none and I totally agree with her. The government cannot answer the public because there is no justification for such an inequity.

The government should take into account that the days of traditional employment when someone worked for the same company or even in the same profession for their entire working life are over. I have heard the arguments in the House about being a successful business person or a school teacher who decided to make a sacrifice and run for election, about being elected and it ruining careers, about being unable to go back to their teaching positions or into business. I understand, but the solution is not to create a crazy pension plan like the one the Liberals are supporting. The solution is not only to enable MPs but all members of society in various professions to move their pension from one occupation to the next so that when they reach a legitimate retirement age they have an adequate pension in place.

Let us talk about some common sense solutions to our problem. Let us not sit and whine and complain and say that because I made a voluntary decision to get into politics somehow I need to be coddled, babied and given an ultra lavish pension plan.

Members of Parliament are good examples of people who change their professions. Most members have active careers before they are elected to this place and many return to them. Many times becoming a member of Parliament gives us an advantage when we go back into the workforce. It is not all gloom and doom like the Liberals would have us believe.

Even some of the awful Conservatives who did all those terrible things and got kicked out of this place are gainfully employed right now. They are probably making as much or more money than they made when they were in the House. It certainly is not all gloom and doom.

Miss Grey: Perrin Beatty is one of them.

Mr. Hermanson: As the member for Beaver River said, Perrin Beatty certainly seems to be doing all right for himself as are many of his colleagues and many former Liberals. With the quality of Reformers I am sure they will do well when they decide to leave political life.

Private Members' Business

Before the budget when anti-tax rallies were being held across the country I had the privilege of attending one in Saskatoon. The people in that crowd did not want to see higher taxes. They told us in no uncertain terms to tell the government not to increase taxes in the budget. It did not listen. It brought in higher taxes. The people also said in no uncertain terms that the government had no right to increase taxes as long as it had a gold plated pension plan.

I remember one person who came to the microphone and said: "I know MPs work hard but I work just as hard as they do. I make \$20,000 a year and I do not get any pension. Why should they get an immoral pension, one that is so extravagant, just because they get to design their own pensions and I do not?"

It is unfair. We should not be designing extravagant, lavish pension plans for ourselves. We should be considering the people in the real work world who work just as hard as we do and deserve fair treatment. We should be prepared to give them fair treatment.

Bill C-85 fails to deliver an effective pension reform in two ways. It fails to bring MP pensions in line with the private sector. More important, it fails to bring MP pensions in line with what Canadians are willing to provide for members of Parliament. We cannot lose sight of the fact that we work for the Canadian public. If our employers think our pensions are too high then they must be reduced. It is the people's opinion that counts.

(1730)

For these reasons, unless the bill receives some very significant amendments along the lines of those my colleague from Beaver River mentioned in her speech, I would call on the members of the House to join me in defeating Bill C-85. In fact I would call on them to support the amendment that my colleague put forward.

This bill is so flawed it needs to be sent back to committee. With your indulgence, I would like to move an amendment to the amendment made by the member for Beaver River. I move:

That the motion be further amended by adding the words "and report back to the House no later than June 23, 1995".

The Acting Speaker (Mr. Kilger): The amendment to the amendment is in order.

It is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Kamloops—The budget.

It being 5.32 p.m., the House will now proceed to the consideration of Private Members' Business, as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

DIVORCE ACT

The House resumed from March 13 consideration of the motion that Bill C-232, an act to amend the Divorce Act (granting of access to, or custody of, a child to a grandparent) be read the second time and referred to a committee.

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, I rise to speak on this issue as someone who grew up without knowing her grandparents because her grandparents were in another country. I have observed, as my brothers and sisters have had children, the special relationship that has developed between my parents and my nieces.

Bill C-232 can be supported in principle for attempting to address a very distressing situation. The relationship between grandparent and grandchild is something very special. Particularly after their parents' divorce a grandparent can be an important resource to children, someone who can offer care and support and buffer children from the many changes and stresses associated with family breakdown.

Research confirms the importance of the grandparent-grandchild relationship. Arthur Kornhaber, a noted child psychiatrist and researcher has conducted three years of lengthy, in depth, personal interviews with some 300 children and as many grandparents. His conclusion is that: "The bond between grandparents and grandchildren is second in emotional power and influence only to the relationship between child and parent". He has stated that a healthy and loving bond between grandparents and grandchildren is necessary for the emotional health and happiness of all three generations. This bond is a natural birthright for children, realized through an emotional attachment, a legacy bequeathed by their elders that benefits everyone in the family.

(1735)

Given this very special and valuable role that grandparents play in a child's life, it is very upsetting to hear about cases where children are being denied access to their grandparents because of some very bitter disputes.

It is hoped that the situation is limited to unusual cases where the divorce has been especially bitter. However, it occurs frequently enough to warrant the formation of support groups. Organizations such as the Canadian Grandparents' Rights Association and Grandparents Requesting Access and Dignity help grandparents cope in these situations and do an admirable job.

Private Members' Business

The reality is there are cases where grandparents who wish to be able to continue to have contact with their grandchildren are being denied this contact and are forced to withdraw from their grandchildren's lives.

It is this situation that Bill C-232 proposes to address by identifying changes to the Divorce Act that could promote grandparent access. The main focus of Bill C-232 is an amendment to subsection 16(3) of the Divorce Act which currently states that a person, other than a spouse, may not make an application for child custody and access without leave of the court.

That means that currently the grandparent-grandchild relationship is accorded the same value as a child's relationship with any other third party. Grandparents must obtain leave of the court to make an application for custody or access to the grandchild.

The bill proposes an amendment that would distinguish the grandparent-grandchild relationship as a distinct type of relationship. It would give grandparents the same standing as parents so they would no longer be required to obtain leave to make such an application. Instead, grandparents would have independent standing to apply to the court for access or custody of their grandchild at the time the grandchild's parents are getting a divorce.

This is an important change to make to the Divorce Act. It would mean that the Divorce Act would formally recognize grandparents' legal rights to have access to their grandchildren.

Another important implication of the proposed amendment is that it would grant grandparents who have strong legitimate interests in their grandchildren greater leverage in their negotiations with the child's parents. This new legal standing would allow a grandparent to challenge a parent who is threatening to withhold or deny access without good cause. Hopefully the threat of a lawsuit would be enough to motivate that parent to resolve the dispute.

For these reasons I rise in support of Bill C-232 and suggest that we should applaud it for attempting to emphasize the beneficial role that grandparents may play with respect to their grandchildren. However, I must say that there are some aspects of the bill as it currently reads which must be reviewed.

First, there is concern that the bill may be over-reaching when it places grandparents on the same footing as parents for custody when the real problem is access. Consideration should be given to treating these two matters differently.

In addition to allowing grandparents to apply for custody and access as of right, the bill proposes an amendment to section 16(5) of the Divorce Act to give grandparents the same rights that this section currently provides to the parent who is granted

access, namely the right to make inquiries and to be given information as to the health, education and welfare of the child.

This proposal is problematic because private and confidential information such as this is normally only available to parents. It is not clear that there are valid policy reasons to allow grandparents with access rights to obtain this information, especially since other grandparents, those with grandchildren in intact families, may have no such right.

It is also important to ask why grandparents need this right. It has to be recognized that different grandparents may have different motivations and that there is a potential for this amendment to promote further intergenerational disharmony if grandparents make use of the information they receive to challenge the custodial parent's decisions.

This part of Bill C-232 should be reviewed carefully by the Standing Committee on Justice and Legal Affairs, of which I am a member. The committee in reviewing the bill should be guided by the standard set out in section 16(8) of the Divorce Act which provides that in making any custody or access order the court should only take into consideration the best interests of the child of the marriage.

This is the standard that has come to be accepted both in Canada and internationally as the appropriate standard to apply with respect to matters relating to children. It means that laws directly affecting children should focus on the needs and best interests of the child rather than on the rights of adults.

It is this standard that the Standing Committee on Justice and Legal Affairs should utilize in assessing the other proposals of Bill C-232, such as the proposal to amend section 16(9) and (10) of the Divorce Act to include the word "grandparent" in the wording of these two provisions.

(1740)

It is important that courts, in assessing whether grandparent access would be in the child's interest, continue to consider the quality of the relationship that has existed in the past between grandparent and grandchild, as well as the amount of prior contacts. Evidence about the prior relationship between the parents and grandparents, especially if it is conflictual, is arguably also very important.

In reviewing Bill C-232, the committee should also consider that while it allows grandparents to apply as of right to the courts for access to the grandchild, it does not address the problem about the high costs of these legal proceedings, costs which may very well be prohibitive to many grandparents and custodial parents.

There is another important point that must be made. It should be recognized that there are limitations to what a court order can

Private Members' Business

accomplish and what the law can do to enforce it. It would be ideal if a court order awarding grandparent access could ensure that meaningful access could occur without further problems.

Unfortunately this is not the case. The court cannot order people to change their attitudes, their feelings or manners of relating to one another. If the custodial parent continues to oppose access, the reality may very well be that attempts to enforce any access order would only lead to more conflict and perhaps even more litigation with the child caught in the middle. This can be detrimental to the well-being of the child.

It may be that there is a need to attempt to address some of the underlying fundamental problems surrounding the issue of grandparent access. The issue is closely related to other child custody and access issues and perhaps should be addressed in a more comprehensive way.

The committee in reviewing Bill C-232 may want to consider whether legislative reform alone can provide a solution to this very complex problem. Other non-legislative options that have been identified include judicial education, parenting education and improved counselling and mediation services. The committee may want to explore some of these longer term solutions to provide more services and supports to divorcing couples and their families, including the grandparents.

[*Translation*]

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, I rise in the House today to speak on Bill C-232, an act to amend the Divorce Act. The aim of this bill is to relieve grandparents of the obligation to obtain special leave from the courts to apply for a provisional, permanent or amended court order for the custody of the children or access to them.

At the moment, the Divorce Act contains no provision for grandparents' rights. Grandparents wishing to obtain custody of their grandchildren now must first apply to the courts for leave to debate the custody of their grandchildren.

This bill would entitle grandparents to obtain information on the health, education and welfare of the child. It also provides that the amendments to the Divorce Act would be subject to review by a parliamentary committee four years after their coming into force.

Bill C-232 would eliminate the need for grandparents to make this initial application and would enable them to be a party to the dispute.

Parents divorce, but children do not. Today's family is considerably different from yesterday's. The patriarchal family of the past has changed and become mobile and temporary. With divorces, common-law unions and other arrangements, the family tree has been uprooted.

The family of the year 2000 is born of the break-up of couples. The reconstituted family is a collection of members who are not all biologically related. No model exists for this new family. Each member must adjust by finding a way to function within the family unit.

Studies tend to show that children can benefit from family reconstruction, which gives them another chance.

The traditional family, when divorce did not take place, hid a lot of frustrations behind its air of respectability. However, the number of divorces still evokes some bitterness. Solutions have to be found for children to overcome their suffering, and grandparents have a vital role to play following the breakup of the family unit.

(1745)

As the official opposition critic for seniors organizations, I have a keen interest in this bill, but I feel I must point out some of the shortcomings of this attempt to improve the status of grandparents.

In recent years, grandparents who were denied access to their grandchildren often asked the courts to intervene and grant them visiting rights.

A number of anglophone associations were established, including GROWTH—Grandchildren—Grandparents Right of Wholesomeness Through Heritage, GRAND—Grandparents Requesting Access and Dignity, founded in 1983 in Toronto, and the Canadian Grandparents Rights Association in British Columbia. In French, GRAND becomes GRANDIR, which stands for Grands-parents réclamant accès, nouveau départ incitant retrouvailles. These associations are asking for federal legislation that would give grandparents easier access to their grandchildren.

I think I should point out the excellent work being done by the organization Grands-parents—tendresse in Saint-Jérôme, in the riding of the hon. member for Laurentides, headed by Cécile Lampron, whose purpose is to develop intergenerational relationships by visiting schools, organizing group excursions with the children, helping young mothers after the birth of a child or during convalescence, and by offering services to single seniors.

First of all, this bill is aimed only at the children of couples who are either divorced or about to divorce. The federal government has jurisdiction over divorce proceedings, but Bill C-232 may exceed this authority. Grandparents are not directly involved in the marriage, as is the case with parents and the children born of the marriage.

Parental authority is a provincial matter, under subsection 92(13) of the Constitution Act, 1867. This is clearly an intrusion into an area under provincial jurisdiction.

Unlike Canadian common law, the access rights of grandparents to Quebec children are already provided for explicitly in Quebec's civil code. Section 611, passed in December 1980, says that the parents cannot, without good reason, prevent the

child from having a personal relationship with its grandparents. If the parties cannot agree, the terms and conditions of this relationship will be determined by the courts.

Section 611 of the Civil Code may be invoked at any time before or after the divorce of the parents. In addition, this clause does nothing to define the notion of grandparents in the Divorce Act. We presume that section 579, which states the following, takes precedence: "When adoption is granted, the effects of the preceding filiation cease". The rights of the parents of a father or a mother could be revoked at the same time as those of the biological parents.

In Quebec, section 611 resolves the issue of the grandparents' access to grandchildren and they may submit a petition at any time. Quebec has resolved this problem, but Canada's other provinces have not. Bill C-232 improves the position of grandparents and their grandchildren in other provinces, but only covers the children of married or divorced parents. As a consequence, this bill will change very little about the current laws regarding grandchildren in Quebec.

Therefore, all common law provinces should pass a law like that in effect in Quebec. We believe Quebec's legislation shows the way in this area and should be used as a model.

This bill has another shortcoming: grandparents' access to medical and school records. The Act Respecting Access to Documents Held by Public Bodies and the Protection of Personal Information is a law of Quebec governing a matter of provincial jurisdiction.

(1750)

Quebec has legislative power over marriages, property and civil rights, marriage contracts, adoption, separation from bed and board, custody, etc.

Consequently, Bill C-232 increases the overlap in family law.

In addition, under subsection 92(13) of the Constitution Act, 1867, parental authority bestowed on the couple is an exclusively provincial jurisdiction. Therefore, the bill also infringes on a provincial jurisdiction.

I mentioned earlier that Bill C-232 tends to protect the rights of grandparents in the other provinces of Canada, but unfortunately, it has shortcomings and the Bloc Quebecois must point out this obvious infringement on a provincial jurisdiction.

Grandparents have an enormous role to play in the lives of their grandchildren during the years following a separation. They are exceptional compensations for the partial absence of a father or a mother. They can bring emotional and other stability to a child's life. Grandparents can often detect problems, but

Private Members' Business

they cannot take part in discussions, because, often, intruding in such a way can only aggravate an already adverse climate.

In closing, the Bloc Quebecois, the official opposition, will put aside the few misgivings it has and will support Bill C-232 which was introduced by my kind colleague for Mission—Coquitlam.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, it is in the name of my own mother, who was a mother and a grandmother, and in view of the progress being made in the changing family unit nowadays, that I support the spirit of this motion.

[English]

The family is a changing unit in 1995. Certainly from my own perspective, I have to pay a special tribute to my mother who prevailed upon me to make sure I got my views on this issue on the record. From the perspective of my daughter, my mother has been an invaluable role model and a very important anchor in a changing world. I understand the difficulty sometimes of legislating familial relationships. Obviously the best interest of the child has to be the guiding principle in any dispute of a familial nature, but the spirit of this legislation is worth supporting.

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, it is with pleasure that I rise to speak on Bill C-232, an act to amend the Divorce Act, sponsored by my colleague from Mission—Coquitlam who is herself a grandparent. I know she has put a lot of time and effort into creating and promoting this piece of legislation. I must commend her.

I would also like to make reference to the gallery and the attendance of a number of interested persons in this particular legislation. I commend them for their attendance.

With reference to the previous speaker's comment on the changing world, I sometimes wonder if we are not today playing a bit of catch up here. Some of the principles or the things we were used to in days gone by just slipped away from us because of various other things that were occurring in our world.

For example, technological developments such as transportation and communication have had a tremendous effect on how we live our lives today. We travel farther. The world is much smaller. On the other hand, we can communicate much quicker with each other. We have E-mail for example. Even in my lifetime, and I do not like to think I am that old, I can remember the first telephone in our neighbourhood.

We look at such an amendment where we are talking about general access and we have the technological equipment. The resources are there for this kind of thing.

Private Members' Business

(1755)

Another thing has snuck up on us from the days when a small percentage of people did not have access to grandparents due to distance, death or whatever. It now seems to have turned the other way. We are suddenly aware that this very important aspect of our lives has slipped away from us.

One of the other things that contributes to that is the advances made in health care, not only from the point of view of our attitude toward living a healthier lifestyle but also through medical research with which we can prolong our life. Consequently, we are living longer. The average person's lifespan has gone to 72 years from 25 or 30 years ago when it was six months after one retired at 65.

Some of the things we have seen come out of what has affected our lives are such things as higher divorce rates and family break-ups. The average marriage lasts something like five years. It might be seven, I am not exactly sure on that statistic. A higher divorce rate is a given in today's society. Family break-ups are occurring. It is a two working parents society as well. The standard of living that could be enjoyed on one income in 1960 now requires two.

Those kinds of things have had an effect on us. They have created situations in today's society. We find ourselves trying to come up with some way to get that component back into our life of the family, including the grandparents.

One of the previous speakers got into a legal concept. What I am suggesting here is that we look at the intent of the law more so than the letter of the law. There will be time enough for the letter of the law when it gets into committee. Then we can get our learned people in those areas to address those issues. This House has to say what the intent is. The intent is to get a family structure or have the grandparents included in the family structure.

Another thing in our society today versus 20 or 25 years ago is the advent of new Canadians who do not necessarily have a European background. We hear more and more about the extended family. We are trying to put that into some sort of a parameter as to what that actually means. We also hear of the extended family in our aboriginal groups.

It is time that we looked at these new concepts. If there are some legal barriers in recognizing these in law, then it is our responsibility to see how we can overcome them. The extended family could include the grandparents quite nicely. I would prefer that.

I realize there are very many different ways a divorce situation can turn out. On the other hand, if there are children involved in a situation who are going to go into the social service realm and foster parent situations and there are grandparents sitting right there who have to get a court order to apply to get into that situation, that just does not make logical sense to me.

When we address this point by point, we must look at the bottom line and know that the overall objective is what is best for that child. On average, we can argue that the family and the grandparents in normal situations are what is best for the child. There will always be the isolated cases.

When we get down to looking at it line by line or looking at the letter of the law, that is when we address those issues. What I am trying to say now is that there are four amendments here. One is asking not to have to go to court to make an application to apply for access. That does not mean to say they are going to get it, but when they have made the decision to make an application they have to trot off to court first.

(1800)

Another amendment we must address is the right to know. As I related earlier, we have all of these wonderful advances such as E-mail and television and we can fly on the Concorde to goodness knows where and how fast. I certainly think that at some point we should be able as the intellectual animal of this planet to come into some sort of situation in which we can recognize what is best for the child. If there is animosity at the time the court is making these kinds of decisions, I still believe there are ways in which what is best for the child can be addressed and that we can use this technology to that end. A year from now the situation might be a little better and people might get over their feelings and start thinking more about what is actually happening to their loved ones on both ends of the age scale.

Another thing that comes into this concept is our roots and our family tree. If we do not keep in touch with each other that will be much more difficult to keep track of. I believe there are a number of people who find that important in their lives.

With respect to geographic living conditions, I am not too familiar with what is happening in divorce rates, but it is my understanding that when access is granted to one of the parents there are usually restrictions placed upon where these people can live. They get a geographic area in which they can live so that the other side can have access. I am suggesting that will not survive long in our society. At some point that will be addressed, and maybe this is a good time to do it. As I have said, communication and transportation are not the problems they once were. I am much more familiar with the geography of British Columbia, and I can remember when it took two and a half days to get from Kimberley to Vancouver, which can now be done in almost nine hours, or ten hours if you are not speeding. Surely to goodness we should be able to look at these kinds of things to resolve these barriers.

I would like to reinforce that it is a given when we look back at situations in our past, when there was the family unit, including brothers, sisters, aunts, uncles, and grandparents, that it was always the grandparents in that family unit who were constant. I

may have lost touch with my brother and his wife for a while, but I never lost touch with my parents.

I encourage this House and all hon. members to unite behind this non-partisan issue and support the bill.

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, I rise because I also feel very strongly about this bill. I have the fortune of having grandparents and I have the fortune of having an extended family. Unfortunately, my son never had that luxury. My parents and my in-laws are in Italy. I always felt guilty, because I know what a comfort grandparents can be, both for the family and for the children.

When I went to Italy with my son, who was then five, I realized how much he and his grandfather were alike and how much they missed each other and how much they enjoyed each other.

I believe that we have to always take into consideration the needs the children have. We seem to forget that many times. Since we are adults and we are the ones who have to help children to get what they need, I think we should definitely support this particular piece of legislation and make sure that the children are taken care of and that we allow their grandparents to take care of them whenever possible.

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, it is an honour today to speak to this private member's bill. My colleague from Mission—Coquitlam I know has worked very hard over the last few months travelling across the country talking to groups about this legislation. I would like to advise the House that the response out there has been overwhelming in support.

(1805)

There are many voids in the Divorce Act. For example, at the present time in a divorce case grandparents do have to seek leave of the court to obtain standing to discuss the question of access to their grandchildren. This bill will give grandparents an automatic right to the standing to participate at court.

I am not a grandparent, but I hope to be some day. I think most of us want to experience that joy. Sure, it might make us feel a little older, but these days what does not make us feel older?

As parents and grandparents we want to see that our grandchildren have the best quality of life. There is nothing wrong with this. But the law can divide, and we need to mitigate against that. To me, grandparents have always seemed rather stable. Perhaps it stems from the notion that the older you get, the wiser you become.

I recently read an article in which a federal official was quoted as saying: "In the great majority of cases, it would be in the best interests of children to see their grandparents. They can be a real stabilizing force".

Private Members' Business

I understand the Minister of Justice is not quite in support of this legislation. Why? Apparently he feels that if Bill C-232 is passed the courts would be flooded with litigation, causing a tremendous backlog. I do not think so.

I spent enough time working within the British Columbia family and divorce courts to know that including grandparents in contested divorce cases will only improve matters, not make them worse. As the Divorce Act currently states in section 17(2), "a person other than a spouse may not make an application under paragraph 1(b) without leave of the court".

The minister may say that if we allow grandparents a say at the original hearing it will increase litigation. My experience says otherwise. Extended families must be encouraged to take more responsibility for their own and come to the rescue or backstop the social alternatives considered in child custody and access disputes.

In clause 3(1) it states: "On the expiration of four years after the coming into force of this act, the provisions contained herein shall be referred to such committee of the House of Commons or of the Senate or of the Houses of Parliament as may be designated or established by Parliament for that purpose".

If that measure is adopted, Parliament will conduct a comprehensive review of these provisions in four years. The Minister of Justice is afraid of guarantees like this. He does not put guaranteed reviews into his bills because he is perhaps afraid that down the road legislation may be changed because it is really flawed. Why does the minister not put such a clause in Bill C-68, for instance? Maybe he fears the results.

Certainly family law needs fundamental review. I am not encouraged that the justice minister will produce any substantive changes soon. But this bill is not only about grandparents, it is also about grandchildren. It is vitally important that we have legal protection for them.

We recognize that all grandparents are beneficial for their grandchildren. There are times when they should be denied direct access or should not be involved, but that should be the exception by an order. This is why we have courts and judges. They are the decision makers in those contested cases. All relevant voices must be heard in difficult cases, and this bill facilitates that help. The best interests of the child is still the operative principle.

All that is being done here is awarding the grandparent the right to have a voice. That is essentially all we are asking to have changed.

This morning I received a copy of the speech the Liberal member for South Shore was to give today but could not because of previous commitments. The member clearly is in favour of this legislation. The member for Nepean is another member who I know supports this legislation. Therefore, I would encourage members of the Liberal Party to consult with their colleagues on this bill and find out what their feelings are.

Private Members' Business

Certainly members of the Reform Party are behind this legislation. We believe that it is needed as one small step in a larger effort to update and simplify family law.

Reading some of the comments the member for Nepean has made on this bill, I understand that there are some parts she has difficulty with, but this is understandable. This is why the House of Commons has standing committees: to deal with legislation, to bring in the experts and go over it with a fine-tooth comb.

I have been a divorce mediator. As an officer of the court in the past, I have investigated circumstances and made recommendations and written recommendations about child custody and access. It is my considered opinion from within the system that in general family law is in somewhat of a disarray. But clarifying the role for grandparents in hotly contested cases is a help, not a hindrance. A strong legal climate as a backdrop encourages mediated settlements and alternative solutions.

Indeed, the court is a very blunt instrument to settle family matters, but clarity and resolve in the law can only help children. Sometimes these matters deteriorate into a swirl of struggles and manoeuvres and the real needs of children and their wishes are forgotten.

(1810)

This bill deserves to be sent to the standing committee. It would represent a very positive step toward the protection and development of the child who is caught up in these unfortunate circumstances.

Therefore, on behalf of many grandparents rights groups across the country, including the British Columbia based Canadian Grandparents Rights Association, I want to fully endorse this bill and commend it to this House.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I want to take a few minutes and say a few words on this bill. In particular, I think I would be remiss if I did not take the time of the House to remind all of us not only of the good work the hon. member proposing the bill has done, but equally the work of the hon. member for Nepean.

I hope, Mr. Speaker, you will allow me to say this in spite of the fact that it is not customary to our rules, but the member for Nepean is unable to be here because of illness. Because of that, I hope, Mr. Speaker, you will be lenient with the application of that rule.

The hon. member for Nepean is ill. She had very extensive surgery some time back and of course cannot participate in this debate today. However, I am sure all members will know of the

work she has done, as well as the hon. member proposing the bill today. If the member for Nepean were here, she would no doubt want to be participating in this debate and giving it her full support as well.

On behalf of the hon. member for Nepean, I thought I would take a moment in the House to indicate what I believe to be her support and the support of several other hon. members who have worked on this initiative as well.

[*Translation*]

As we all know, the hon. member for Nepean had tabled a bill similar to the one now before the House several years ago during the previous Parliament. She put forward an analogous bill during this Parliament. Being absent from the House for health reasons, she is unable to address this House today. I know that the House will vote on this motion in a few minutes.

I am unable to vote by proxy on her behalf because that is not the practice in this House. However, if such were the case, I am sure she would have asked me to vote in favour of this bill. The least I can do is to mention all the work she has done on this bill, along with the hon. member who proposed the bill today. I also wish to commend the hon. member for Nepean for her work on this issue, not only in this Parliament but also in the past several years.

Mr. François Langlois (Bellechasse, BQ): Mr. Speaker, it is a pleasure to rise today to make a few comments on Bill C-232 tabled by our hon. colleague, the hon. member for Mission—Coquitlam.

Since the hon. member for Glengarry—Prescott—Russell spoke about the health of the hon. member for Nepean, allow me to point out that we think about her often, especially when we are dealing with issues such as this one which affect the most vulnerable in our society.

The bill before us today is no magic solution. I believe, however, that it is a step in the right direction. Indeed, Quebec, which is concerned about its areas of jurisdiction, has always looked with a very critical eye at amendments to the Divorce Act and to family law, because it knows that we must still live in a federal system for a certain time and tries to balance federal and provincial jurisdictions.

Are we dealing with a filiation problem or a divorce problem? What is the situation? We could debate this for a long time.

(1815)

In any case, we have before us a provision which would allow grandparents to avoid the additional step required of any third party in divorce proceedings. A neighbour is not treated any differently from a child's grandparent in being granted access or custody rights in divorce proceedings.

Private Members' Business

That obstacle would be eliminated. In the eyes of the law, grandparents would, for all practical purposes, be reintegrated into the slightly extended family unit. So this provision may be a step forward.

As I said at the outset, we should not see this amendment to the 1985 Divorce Act as a magic solution. A similar provision, which covers all children, whether they were born to married couples or common law partners, has been in effect in Quebec since 1981. Having practised family law since 1981, I can tell you that grandparents are not rushing to make applications to the courts. Since 1981, few grandparents have applied for access in Quebec.

Today, grandparents applying to the courts in Quebec do so only when the conflict is quite serious. Grandparents, the grandfather or grandmother—who should have reached a point in their lives when they could start relaxing a little—often must go against their wishes and say: “Well, I must retain the services of a lawyer, I am going to take my own son or my own daughter, or my son— or daughter—in-law, to court and I am going to take this to the limit, with all of the emotions that go with it”. Not many grandparents insist on an all-out battle: their lives already have been one, they have had their children, raised them and worked all of their lives. So, we must not think that this clause will be the magic solution.

However, the fact that such a disposition is even included in the bill could make many divorce lawyers strongly advise their clients to do the following: “Give the grandparents the right to visit their grandchildren. Otherwise, they could take you to court in the future to fight for it”.

This kind of provision could prevent a great number of legal disputes and is better than using court cases to settle them.

I also think that we could use our vote on a bill like this one to send a very clear signal to the courts which must interpret these laws, and that is to listen very carefully to the petitions of grandparents before declining their requests for the right to pick up their grandchildren to take them out from noon to four for a pop and a Big Mac and to bring them to a park to play before being forced to take them back home. The courts should perhaps also give them a little more time together, because it takes time to bond. In the era of broken families, we are all aware of how difficult it is to rebuild the ties between our children and their parents and grandparents.

Thus, all of the aspects that have been raised during this debate show that we have the opportunity to help remedy a rampant and very serious social ill. And, although this bill is not perfect, I think it should be passed at second reading and sent for consideration to the Standing Committee on Justice and Legal Affairs.

[English]

The Acting Speaker (Mr. Kilger): Resuming debate. Colleagues, the Chair was given an indication previously that if an opportunity arose the mover of the motion, the member for Mission—Coquitlam, asked that she be able to summarize for not more than two minutes, understanding that no one else would speak afterward. She would close the debate. Is that agreed?

Some hon. members: Agreed.

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, it gives me great pleasure to close the third hour of debate on the bill. I want to personally thank all those members who took part in the debate.

As many members know, this bill has a long history. In the last Parliament my good friend from Ottawa West championed the cause of grandparents. She presented petitions containing over 8,000 names requesting that the Divorce Act be amended to give grandparents status before the courts in the case of divorce of their married children along with status to ensure that the presiding judge would take into consideration the rights of grandparents to grandchildren.

My good friend from Nepean, who could not be with us tonight, has worked very hard on this. I have been talking with her on many occasions on this bill, which both of us had before the House.

More important, this bill addresses the cause of many grandchildren across the country who seek access to their grandparents. I have had the great privilege in the past few months to meet and speak to literally hundreds of grandparents across the country. They tell me that what they want is the opportunity to be heard in the courts.

There have been many concerns expressed about the part of the bill that gives grandparents the right to make inquiries about the child, inquiries the parents may not have the right to make. This can be amended in committee.

It is my belief that the bill will reduce litigation, not increase it. All outstanding issues will be dealt with at the same time under the same judge.

Again, I would like to thank everyone present. I urge all members to vote in favour of sending this bill to committee for further study.

The Acting Speaker (Mr. Kilger): It being 6.20 p.m., pursuant to Standing Order 93, the time provided for debate has expired. Accordingly, the question is as follows. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to, bill read the second time and referred to a committee.)

*Government Orders***GOVERNMENT ORDERS***[English]***MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT**

The House resumed consideration of the motion that Bill C-85, an act to amend the Members of Parliament Retiring Allowances Act and to provide for the continuation of a certain provision, be read the second time and referred to a committee; and of the amendment; and of the amendment to the amendment.

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, it is my delight to rise to speak to Bill C-85. I speak in opposition to this bill, an act to amend the Members of Parliament Retiring Allowances Act.

I found it very interesting today to listen to the debate and to some of the rhetoric that has surrounded it. As we address the debate from this side of the House, we certainly are representing the mood and the voice of Canadians in opposing a pension plan which is far above and beyond anything any other Canadian outside of this place could enjoy or ever think about.

The Reform Party bases its decision on the principles put down within the party from its inception. My opposition to this bill is based on certain of these principles that the Reform Party holds. Let me remind members of two of those.

Principle 17 of the party states: "We believe in public service, that governments, civil servants, politicians and political parties exist to serve the people and that they should demonstrate this service and commitment at all times".

Principle 18 states: "We believe that public money should be regarded by government as 'funds held in trust' and that government should practise fiscal responsibility to balance expenditures and revenues".

Both of these principles deal directly with the issue at hand today. It is from these principles that this party, since its inception, developed a policy on MP pensions.

The Reform Party policy on MP pensions states that it opposes the current pension schemes for members of Parliament. We would end full indexation of these pensions. We would postpone eligibility for benefits until at least age 60 with eligibility further postponed by the amount of time in which the person has already been paid prior to age 60. We would subject the MP pension to a tax back according to a formula identical to that of the old age security.

Compare our policy with the vague and general policy I have heard quoted here today of which the Liberals seem proud which is outlined in their red book: "The pension regime of members of Parliament has been the focus of considerable controversy. It

is now the subject of an independent review which Liberals support. We believe that reform is necessary".

(1825)

It is of some small comfort to know the Liberals have finally and only seemingly recently realized the MP pension scheme is an affront to Canadians. I have heard it and I am sure they have heard it. It has taken a while to sink in though. It is also interesting to note the Liberal policy uses the word reform. I will quote again: "We believe reform is necessary".

From the vague Liberal policy, which often happens with vague policies, Bill C-85 has flowed, a bill that I believe is totally unacceptable.

I am sure everyone has heard that 52 Reform MPs will be opting out. My Reform colleagues have come here from ordinary communities, homes with families. We have mortgages too. Like our colleagues on the other side, we want security for our homes. We want security for our families, for ourselves and our loved ones, just like every other Canadian. However, we have come to this place to show leadership in difficult times. We were sent here to show leadership in difficult times. We as a party cannot in good conscience claim to lead by example by participating in a plan such as has been shown here.

Let me explain a few points on how this diverts directly from what ordinary Canadians might experience. First, this bill raises the age of eligibility to age 55. It raises it to age 55. But what about the age of 55? This is totally unacceptable. Ordinary Canadians only receive their full pension benefits, their CPP and old age security at age 65. Notice there is a difference of 10 years. What is 10 years? Ten years is a long time.

Why does the government still persist in maintaining this discrepancy? Fairness calls for members of Parliament to be eligible at the same age as the people they purport to represent. After all, the entire concept behind our parliamentary system is that all of us in this House represent the common people. That is why it is called the House of Commons. Have they forgotten this on that side of this House?

A second concern is that under Bill C-85 full indexation of the MP pension to the level of inflation remains from the date that an MP retires. This again is an affront to the average Canadian whose pension income is not indexed to inflation. It is another example of how privileged members of Parliament have been and will continue to be under this government's proposed "reform" of the pension scheme.

I also find it interesting that once again this bill shows a duplicity in high sounding statistics. We are told benefits will now accumulate at a rate that will drop by 1 per cent. An accrual rate of 4 per cent instead of 5 per cent is still above the legal limit of what any other Canadian enjoys. It has been accommodated by book work, or by putting it into two pots or whatever.

Government Orders

The fact remains it is something Canadians legally cannot enjoy otherwise.

At the same time as this goes down by 1 per cent, the amount the MPs pay into the plan decreases by 2 per cent. Perhaps I could throw in the concept of one for you and two for me and if we do it quickly enough maybe no one will notice. It is a sort of shell game. It is no wonder the Canadians I hear have given up faith in this place. They have a right to be cynical if government plays games with the numbers and with the things they represent.

The government also claims that significant savings will result from these measures. It is true that now the taxpayers' contribution will be at a ratio of approximately 3.5 to 1 compared to the members' contribution, down from what we considered to be seven to one before. That was obscene.

It is also true that most of this change resulted from the actuarial realities of a lower rate simply because of the large number of new members in this place. That is, this ratio even with the old plan would have been approximately four to one had no changes at all been made to this pension plan because of the difference in the membership in this place.

(1830)

Therefore little has changed in spite of the government's rhetoric and platitudes on this issue. The bill it put forward is smoke and mirrors. In fact little has changed in this place in spite of the government's rhetoric and platitudes on many things.

In my riding in the greater Vancouver region there is a significant and expanding portion of the population that is retired and receiving pension income. How can the government and the President of the Treasury Board who proposes this bill justify keeping the full indexation of MP pensions that those people, those families, those individuals in my area do not enjoy? How can the government and the President of the Treasury Board justify not making the age of pension eligibility consistent with what average Canadians can expect and what they experience?

This bill represents the gulf between what Canadians expect and what the government delivers. Should the rules be different for those that lead than for those whom they serve?

Our party brought this issue to the fore. As a result the government has given the House and the Canadian people a mere token. The government has failed once again to bridge that gulf, and the gulf between it and the people of Canada remains even after the rhetoric of this bill.

On page 11 of the red book it states that Canadians have to see themselves as belonging to a society of reciprocal obligations in

which each of us is responsible for the well-being of the other. Canadians know this intuitively. That is mighty sounding but I would like to take that quote within the context of this MP pension plan and compare it to the 45,000 civil servants that now are facing being laid off from their place of work.

I take that quote within the context, and take the obscene pension plan that we still see in place and compare it with government cutbacks in the funding of medicare to the provinces. I take that quote within the context of the MP pension plans and compare it with struggling Canadian families faced with outrageous tax burdens, many of whom therefore are not even able themselves to put money toward an RRSP at the end of the year.

Another concern I have with the bill is that it has been thoroughly politicized. Initially the President of the Treasury Board was to have introduced the bill in February before the government tabled its budget. It is now May 4. Four months have gone by. What delayed its introduction? The President of the Treasury Board had to ensure that all the various interests within the cabinet and caucus were represented and that those interests were placated.

I ask the President of the Treasury Board, whose interests is he representing? Is he representing the interests of his cabinet and caucus colleagues or is he, as he should, representing the interests of the Canadian people who have been loudly demanding genuine reform to the MP pension scheme for a long time?

Politics and rhetoric are an integral part of the government's approach. Good schemes and fair proposals have been put forward by outside sources and even by some government members. These have been rejected and replaced by rhetoric which is answered at every turn by comments about pay scales and double dipping.

When challenged on the continuing arrogance of the new pension plan, why does the government insist on talking about pay scales? If MPs' salaries are not acceptable, then change them. Do not use them as an excuse for the pension plan. Do not divert the issue from the scandalous pension scheme that continues to exist.

What of the issue of double dipping? What is the real issue here? Once again the government tries to divert attention in other directions. The issue that concerns Canadians is patronage. The issue is choosing political friends to fill positions, letting them feed from the public trough and the attitude of gross arrogance toward the taxpayer in doing so.

(1835)

I will only take the time to briefly recall for Canadians some of the very recent and ongoing issues that relate to this, like the Pearson airport review, the Lobbyists Registration Act, the expensive and self-serving byelections made necessary by Senate and other appointments, the Power Corporation con-

Government Orders

troverly that exists today and even our elusive and unaccountable ethics counsellor. The list goes on and on.

The real issue here is special favours, concessions and decisions made by the government that fly in the face of the trust of Canadians and the trust that they expect in their parliamentary system. What do we get in terms of pension reform? What is significant in their version of the end of double dipping?

It only means that the obscene amounts of publicly funded pension dollars grow behind the scenes for those lucky recipients of government appointments. I would like to say that an abuse of the public trust is an abuse no matter which way you cut it.

With the help of some professionals within the insurance industry, actually the Mutual Life branch in Surrey, I have received some numbers for normal pension expectations. I related it to our longest standing Reform MP, the member for Beaver River, who would in the old plan receive \$1.8 million in pension at age 75.

With this bill and the changes that have been introduced, the government comes to the Canadian people and boldly says that this is a fair plan. The numbers indicate that our qualifying member would have received, had she chosen not to opt out, mostly at the expense of the Canadian taxpayer, a whopping \$1.2 million still. The pension is reduced from \$1.8 to \$1.2 million.

That member plus the rest of the Reformers have chosen to opt out. I would like briefly to put forward the cost she will pay to do this very thing.

It is of note that Canadians should be aware of that difference. They should know what the difference is between what normal Canadians might have to do in putting aside their own pension and what it is that this place considers fair, equitable and can receive without blushing at the fact that they will take this without an apology to the Canadian people.

It is a statement of the integrity of our member that she is prepared to opt out. If that member contributes her portion of the pension allotment into her own RRSP plan instead of this gold plated pension plan of the government, she would receive a pension at age 60. I put it at age 60. It is not like age 55. It is not the freedom 55 that is proposed by the government. At age 60, like some other Canadians, or perhaps 65, that pension would be less than \$15,000 a year. Therefore her total payment if taken to age 75 would be approximately one-quarter of a million dollars. It is something like \$228,000.

In trying to put aside her own pension scheme, she will come out with a one-quarter million dollar payment as opposed to the revised government plan which would give her one and a quarter million dollars. Making this decision will cost our member approximately \$1 million. Do members think she is doing that

easily? Do members think she is doing that on a whim? The very fact that we would take this position shows how strongly we feel. We in turn mirror how Canadians feel on this issue.

Leadership must start in this place or else the future of the country is in very great danger. Our party wants a fair plan. Our party wants a plan that is comparable to the private sector. Our party also wants to provide security for our families and for Canadian families. The plan must start here.

(1840)

Some of the details of the plan are these. All members who have less than six years of experience as of October 25, 1993 have the right to opt out of the plan. As we have said, it will not be and it is not an easy decision for the class of '88 in this place. However, on the basis of principle, we challenge the class of '88 or later members on the Liberal side to do what is right and just for the Canadian people. If you go to your constituents and ask them, I know the answer—

The Acting Speaker (Mr. Kilger): I wish to remind the House that all interventions must be made through the Chair and not directly across the floor, using the word "you this" or "you that" but having everything through the Speaker.

Mrs. Hayes: Mr. Speaker, if they go to their constituents they will certainly hear what I have heard, that the people of Canada are sick to death of the abuse of their tax dollars. They need leadership which responds to what they have to go through these days.

An hon. member: It is not so in St. Thomas.

Mrs. Hayes: I would be very surprised if that is the case.

For those who have more than six years of experience, they will continue to receive this gold plated pension for that period under the old regime. We have members of the front bench and the back bench on this side and on the other side who have to be accountable to the people they represent.

I will conclude with some statements on the challenges that we are facing. Canada is facing challenges like never before. Those challenges are in the areas of finance, socially and internationally. The challenges we have these days are extreme, unique and great.

This government and this place needs to walk with Canadians hand in hand. First it must connect with the reality that Canadians face day to day. The gulf between this place and Canadian people has widened vastly in the last 20 years.

For the government to try to cross that distance with a bridge that goes only a fraction of the way is no solution at all. It does nothing to reconcile the distance. Actually it puts the government at a very great risk. If the bridge between this place and the

Government Orders

Canadian people is not built in its entirety, the chasm between the two will swallow those who simply pretend to cross it.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I rise to address the subamendment to Bill C-85 which requests that the government report back by June 23 with some improvements to the bill.

I would like to do two things: cover an area that is in the Liberal red book on pensions and talk a little about what is happening here tonight.

In the red book at page 92, the Liberal government says that the pension regime of members of Parliament has been the focus of considerable controversy. That is an understatement. It is now the subject of an independent review which the Liberals support. They believe that reform is necessary. We agree. "Whatever the results of the independent review, a Liberal government will reform the pension plan of members of Parliament to end double dipping".

This is the issue I want to have clarified. I hope when they report back by June 23 it is clarified to the degree that all these accusations from across the floor about double dipping and which members are double dipping will cease and desist.

(1845)

Today the President of the Treasury Board explained what double dipping was. He said that MPs, people who have been in the House, should not be able to leave this office and receive a pension from the federal government if they accept a new full time paying job from the federal government. In addition, they will review the question of the minimum age at which pensions will begin to be paid.

The government introduced a minimum age of 55, which should be 65. On the issue of double dipping I would like to point out members on the other side like to accuse a certain member on this side, the member for Lethbridge, of double dipping. The member for Lethbridge is elected to this position, not appointed to this position, as former MPs are like Joe Clark, who was appointed to head up some agency is getting an MP pension plus a salary for heading up that agency, a position to which he was not elected.

There is a big difference. Double dipping means you are appointed to an agency or a board and still receive an MP's pension. That will cease and desist. I commend the government for that.

Some hon. members: Hear, hear.

Mr. Silye: I will applaud once the other side understands what double dipping is.

The thing I would like to point out is the Reform Party's criticism of the MP pension. It is three tier, though regular for all the old MPs, tough light for all the rookies who are too weak and lack the fortitude to stand up to the veterans, and the tough

stout, all the extra perks and privileges this pension provides to those cabinet ministers where there is no cap on what they contribute on their extra salary.

This three tier pension plan is unacceptable to the Canadian public we believe simply because it sets a double standard, one for politicians, MPs and senators, and one for the private sector. The reason it is so high is they say the salary is low. I have heard today about the sacrifice of the family, the children and the grandchildren and it is something they build toward. I do not deny those emotional arguments.

On the same emotional basis why not come clean with the Canadian public and simply state the compensation package should be addressed? We should not have three or four different sets of rules. Let us clean it up. Let us pay politicians what we believe they are worth or what they deserve.

Mr. Knutson: Give us a number.

Mr. Silye: Twelve thousand dollars a month and then look after your own pension plan. This is my point of view.

The Acting Speaker (Mr. Kilger): Order. I am again trying to maintain the best parliamentary debate possible. I encourage members to address themselves through the chair. In the event that we get to question and comments they will have an opportunity to debate the last intervention.

Mr. Silye: Mr. Speaker, I appreciate those comments. You remind me of my football coach who said that if you have rabbit ears you will never be a success in this business. I believe that should apply in the House as well.

As of today I will no longer have rabbit ears. I will only focus my comments to you and through you to the other side and to the public.

The Acting Speaker (Mr. Kilger): I cannot pass it up. Maybe it is the hour. I know all of us make promises. I know we do our best, our darndest, to meet each and every one of those.

Mr. Silye: Thank you, coach—I mean, Mr. Speaker.

I want to explain to voters what is happening. The Reform Party wants a proper pension plan commensurate with the private sector, compensation for MPs at a level that the sacrifice is compensated for. The salaries are too low. The pensions are far too great. We should have a balance between the two. That is what we are recommending.

We are trying to debate this fully. We want to see full disclosure on all the items in this pension plan so the Canadian public understands it.

(1850)

The government today introduced a motion to extend the hours of debate. It wants us to use up all our speakers so it can rush this through to committee so the Canadian public does not

Government Orders

get an opportunity to see what is in it, to understand the full message about the pension plan.

I would not be surprised if in the future as this bill works its way through the system, the Liberals use time allocation on this bill. I will predict the Liberals will use time allocation on Bill C-85, the pension plan bill. That is totally unworthy of government members who pride themselves on parliamentary reform, integrity and restoring integrity to the government like they said they would. It is the lowest of low tricks they can do in a democracy when they are too afraid to let debate on a sensitive issue take its normal, full and natural course.

This is what is happening tonight. We have tried to not lose the opportunity to allow our members to speak to this bill, to point out why they appreciate the opportunity to opt out, why they like the fact they can lead by example and perhaps through this mechanism restore some integrity to this whole fiasco of the gold plated MP pension plan.

We would appreciate if the government would allow proper debate to continue. We would appreciate if the government would stop playing these games with extended hours and if we could go ahead and live our normal day and work it out properly. There is a lot of time if it would follow the normal procedure.

What is the rush? If you had a good bill, Mr. Speaker, would you not be proud to present it before the Canadian public for as long and as often as you could, to get the credit for it if you could? Would you not do that, Mr. Speaker? Would you not be proud and hold your head up high to be able to show the people of Canada what a great pension plan you had introduced? I know I would.

If the Liberals want to rush it through, want to get it through committee, do not want to have the proper amount of time on it and introduce time allocation, that will be the proof they are embarrassed by the little they have done on it. They are embarrassed by how weak their legislation is and that they have not totally and fully used the benefit of all the arguments of all the members of the House.

Therefore I will conclude my comments on the subamendment to Bill C-85.

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, members on this side of the House are very much used to working 7 a.m. to 11 p.m., seven days a week if necessary. If the member has a problem with working evenings we can appreciate that, but that is not the government's way of doing things. The way on this side of the House is that we work hard, we continue to work hard from 7 a.m. to 11 p.m., seven days a week on behalf of our constituents.

When we are not in the House we are in our offices or in our constituencies doing constituency work on behalf of our constituents. I challenge the member to indicate what the problem is

working here this evening for whatever time it takes. We are listening to the comments being made from the other side of the House, as ridiculous as some may be. We are open to listen to them. We are prepared to work. Are they not prepared to work whatever hours it may take? We will be here.

Mr. Silye: Mr. Speaker, I will accept that comment as the cheap shot that it is. We are not at all afraid to work late hours. We have done so often. I will also predict we will be the only ones putting up speakers. The Liberals want us to exhaust all of our speakers. They will not have any speaker on this. They will not have a member rise and speak for 20 minutes on the MP pension. They will not have a member rise and speak on the MP pension tonight for 10 minutes. They are here to exhaust our speakers. They are playing a game.

When the member said he works hard for his constituency, every member of the House works hard for their constituency regardless of their political view point, regardless of where they stand on an issue. I do not think they work hard; they work long. We put in a lot of hours. The people who do the hard work are those who do the research, who dig out the facts, who have to get our messages out through communications.

We are the spokespersons. We have to put in long hours. The cheap shots notwithstanding, the debate on the MP pension plan should be focused on how we can make it better. That is what an opposition party is here for. We are trying to be constructive. We are trying to point out the flaws. We are trying to show where it is weak. They do not have to listen if they do not want to. They do not have to make any changes if they do not want to. It is obvious they do not. However, we are happy to opt out. We are proud to opt out because we know it is the right thing. If they do not opt out they will get voted out.

(1855)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member seems to be suggesting that sitting late is somehow unfair.

Mr. Abbott: Unnecessary.

Mr. Milliken: The hon. member says it is unnecessary. We have made very little progress this week on government legislation. We expected to get two or three bills done yesterday afternoon but we did not get any.

Tuesday was an opposition day. On Monday we expected to get two bills. We got one motion to a vote which, as I recall, was on an amendment. The motion to set up a special joint committee to study ethics was opposed particularly by the Reform Party. It has been stalled and is not happening now. We have a tremendous number of bills to deal with. The government is anxious to move on with its legislative agenda.

Government Orders

Because we have had very good co-operation until the last few weeks we did not feel it necessary to sit late very often. Hon. members will note we did not. However, now that we have an extremely heavy agenda, dozens of bills waiting to be dealt with, it seemed only reasonable that we allow members to express their views on a bill to which we recognize there is significant opposition from Reform Party members who for various reasons do not like this bill. Some of us have views on what those reasons are but I will not go into that on a comment.

Mr. Abbott: Why not?

Mr. Milliken: I would not want to bore the House or impugn motives to members as they have done in respect of some of the members on this side of the House in the debate.

However, it is fair that we give members every opportunity to express their views. One of the things we do not like doing is cutting off debate. Often, as the hon. member knows, when we have used time allocation in the past we have offered to sit late to avoid having to use time allocation so members could get an opportunity to express their views. That is exactly what we are doing tonight.

I want to ensure that all members who want to express their opinion on this bill are given a good opportunity to do so. Sitting late tonight gives all members that opportunity. They may have to leave their office or skip the movie they were going to go to, but most of us are here until 11 o'clock at night anyway working, so it is no problem and we are happy to stay and listen to hon. members.

Mr. Silye: Mr. Speaker, the issue is not sitting late or working late. The issue is giving proper time to a proper audience. Debate is progress. Being heard is progress. Passing bills is not necessarily progress. All the bills the government has introduced do not have all the answers or all the solutions, notwithstanding the Liberals may think they do and notwithstanding that all the years they were in opposition they now feel they have a licence to go ahead with any legislation they wish to. Therefore, they really do not like to have input from opposition members. That is what democracy is all about.

If in this bill we have the opportunity to point out those elements we feel will make the bill better, which is by making it closer as much as we can to what is available in the private sector, in a way we are hurting ourselves because if they did that they more than likely will get voted back in at the next election. I am sort of in a conflict here. I do not know if I should be giving them this advice.

Nevertheless, I do so on behalf of Canadians who work hard. Politicians are not a better class of people. They are not better than the people who voted them in. They are not a cut above the rest. Why we have this double standard in so many areas of this MP pension plan, why we have double standards in so many

other areas like the travel allowance for MPs, 37 cents instead of 31 cents, which is allowable in the private sector, is what makes the public suspect of the motives of politicians.

The government was elected on a promise in the red book that it would restore integrity to politicians. Instead of doing that, they just give lip service and use all the tricks of the standing orders at their disposal to push bills through without proper debate. They want to do it at times when certain members are not here who would like to speak to it.

(1900)

All the things they went through when they were in opposition they are trying to take advantage of on a Thursday evening when those key people who would like to speak to this are not available. This is what I do not like. I feel that it is totally uncalled for.

There were a lot of emotional comments made today, but the main issue was missed. That is, the government is not listening to the people. It is not listening to the taxpayers, who feel that the pension plan is too generous. The taxpayer is not saying that the salary is too high. They are not asking us to take a salary cut. They are saying make what government and politicians do equal to what is in the private sector.

Yes, we have an important job now. And yes, the Canadian public expects us to lead. But they also expect us to lead by example. If there is a double standard and we treat ourselves better than the public sector can treat itself, is that setting a good example? Is that what government members will be proud of when they go back to their constituencies, that they fought for a pension plan that is better than those of their constituents? Is that what they want to do?

I for one do not want do that. That is why I stand before government members in debate to point out that our party would like to have them listen to what voters are saying. But the government is not listening. This is an opportunity. It might be the last opportunity if they keep forcing these tricks on the House.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I enter the debate with some reluctance. However, I must say that the whip or the caucus co-ordinator, or whatever it is one is supposed to call the person who has that job in the Reform Party, has just said I am supposed to call the person the hon. member. The hon. member talks about cheap shots after standing for 20 minutes in the House calling the government everything under the sun and impugning the motives of the government.

One of the last things the whip of the Reform Party said tonight was that the government was using a procedural trick. Who introduced today a dilatory motion, the purpose of which is to not read the bill?

Government Orders

Mr. Milliken: The Reform Party.

Mr. Boudria: Yes, the Reform Party, as my hon. colleague said.

So if moving procedural tricks is the wrong thing to do, I have to ask why the whip of the Reform Party made these disparaging remarks against the member for Beaver River.

Mr. Milliken: It is the pot calling the kettle black.

Mr. Boudria: It is the pot calling the kettle black. That is exactly what it is.

I think that what has been said here has not been thoroughly researched. But we all know, of course, that Reform Party research is an oxymoron. One can never be equivalent to the other. They are diametrically opposed.

We have heard again from the same member that we should be leading by example. Now, I ask myself the following question. Is this the same political party that is asking us to lead by example when the leader of that party had a limousine provided to him by the government and he said he did not want the limousine, then reconsidered the position? He ordered the limousine and had the staff of public works, or whoever does these things, wax the car and bring it here. It took a day or two of work to get it all prepared. Then he did a giant publicity stunt with the car, which had already been sent back. He made a presentation of giving the keys back and put a "for sale" sign in the window of the car. It probably cost thousands of dollars at the expense of the government to orchestrate that scene.

Now, as if that was not bad enough, someone said that the ultimate result was that he got rid of the car. That is what you think. No siree, Mr. Speaker. He had a limousine subsidized by the taxpayers through the back door of the Reform Party provided to him after refusing the first limousine in the publicity stunt I have just described.

(1905)

Those are the people who talk to us about leading by example and governing with integrity. Yes, those are the same people.

Let us talk a bit more about governing with integrity. Let us talk about what I would qualify as suitable leadership. Yes, the leader of the Reform Party decided that he wanted a 15 per cent pay cut, but he had his suits bought by the Reform Party in order to supplement his income. That is leading by example. Mr. Speaker, do your constituents or do my constituents receive subsidized suits? Hardly. If they did they would probably be a taxable benefit. I wonder if it is a taxable benefit for the member of the Reform Party. Perhaps some of our colleagues in the House who are accountants can enlighten us on that subject.

Let us develop that a bit further. The leader of the Reform Party, from what we were told, is also receiving, thanks to the taxpayers of Canada, contributions to his RRSP and all sorts of

other things like that. If that is not bad enough, some Reform Party members said they were taking a 15 per cent pay cut. I know their performance has not been all that great, but to say that it was only 85 per cent as valuable as everyone else's, not even I would go that far. Let us assume that they were worth the same amount as other MPs, which I know is a debatable point.

We had the following situation. Some of them did this and some of them did not. And then the whole thing was reversed because, as they said in a press interview, the people were not appreciating it sufficiently. They did not change their minds because it was wrong or right, but because they did not get the right amount of publicity.

Mr. Morrison: Mr. Speaker, I rise on a point of order. Is there not a House rule that requires speakers to keep to the subject? I thought we were debating Bill C-85 and the amendments thereto.

The Acting Speaker (Mr. Kilger): The hon. member for Swift Current—Maple Creek—Assiniboia raises an issue that is often raised in this House with regard to relevance. Of course in a speech of a potential maximum of 20 minutes, sometimes members take a little longer than others to get to the actual point in debate. But I am sure that the speech of the hon. member for Glengarry—Prescott—Russell, who is an experienced parliamentarian, will certainly be relevant to the bill that is before the House.

Mr. Boudria: Thank you, Mr. Speaker. I am reminded that we are discussing the pay and benefit package of MPs. Of course that is what I was addressing in this House. I know that I was addressing the pay and benefits of Reform MPs—

Mr. Morrison: Mr. Speaker, I rise on the same point of order. The hon. member says that we are discussing pay and benefits. There is nothing about pay in the bill. We are discussing pensions, period.

The Acting Speaker (Mr. Kilger): I do not believe that is a point of order. We are getting into debate.

Mr. Boudria: Mr. Speaker, as I was saying before I was so rudely interrupted, we were discussing the benefits of MPs. The hon. member invoked the rule of relevance, and perhaps discussing what some MPs are worth, particularly the Reform kind, is not really a relevant issue. Perhaps there is some merit to what the member said. However, let us get back to the central issue of the debate. We are discussing how MPs of any political party should be paid.

The salary I get for being an MP is about the same as that of a high school teacher in my constituency. That is fair game. I knew the salary before I got into this, and I accept it. I think I work somewhat longer hours, but that is okay. That is certainly acceptable in my book. I do not ask for anything more. However, I do resent those people who come here and say that we are worth less, that our salaries are too big and that the benefit package

Government Orders

offered to members is too high. These people do the same kinds of things in terms of getting backdoor salaries.

(1910)

I also resent people who pretend that MPs somehow get too much in the way of pension when they or their own colleagues are getting federal government pensions at the same time as they are sitting in the House of—

Mr. Silye: Mr. Speaker, on a point of order, I want to clarify that I had just said in my speech that MPs' salaries were too low, not too high.

The Acting Speaker (Mr. Kilger): This is not a point of order. We are engaging in debate. Resuming debate, the hon. member for Glengarry—Prescott—Russell.

Mr. Boudria: Mr. Speaker, it is true that that member invoked a huge pay increase for MPs, so I am not going to say that he asked that the salaries be reduced. But others who spoke not long before he took the floor tonight referred to the fact that we were overpaid.

There are a couple of further points to consider in all of this. One, allegations are made about our so-called golden pension and so on. I know it is not easy to defend one's salary, one's paycheck. It is a lot easier to say no.

I remember those days in the Ontario legislature, where I sat in a previous incarnation. The odd three or four MPs would vote against a pay increase and none of them of course would ever refuse to take the increase once it had been given, in spite of voting against it. We are seeing the same kind of thing going on here.

The bill that we have before us is to reduce MPs' pensions. Whether or not that is a good idea is a matter that is open for debate, but we were elected on a specific program to reduce it. It is a commitment we made. What we are delivering on tonight is in excess of the commitment we made. We were elected on that. Fair game. I could have disagreed or agreed with the individual parts of the red book, but I was elected on the red book and I will vote for that.

At the same time, it does not mean that any of us in this House should cater to the likes of David Somerville of the National Citizens' Coalition, who raises money by printing in the newspaper little pigs saying that little pigs represent MPs and that to cut off their salaries would be a good thing and that if Canadians want those benefits for MPs cut off all they have to do is send their money to David Somerville in a little box, which happens to be at the bottom of the same newspaper ad all the time.

What does he do with that money? I am sure he sticks it in his own pocket. Who is he accountable to? He has an outfit called the National Citizens' Coalition. It is not national. It is not a citizens' coalition. It is nothing of the sort. It is a business. It is

run by him and for him for his own benefit. He does not disclose how many members he has. He never discloses any of the names of any members. And he makes no disclosure of the salary he gets from generating these contributions from Canadians. That is not an honest way of doing business.

People know how much I make. People know how much the member across the way makes. And he does not pretend, issuing a press release, that people should send him money so that he can blast David Somerville in Toronto. He would not do that. Neither would I. But he gets away with that, and a few of us cater to that kind of nonsense. It is not right, and it is about time some of us said it.

On the issue of the pension itself as it is today, it is going to be reduced with this bill. I am 45 years old. I have worked in the government all my life. I worked for 14 years as an employee of the federal government. Because I had only nine and a half years of contributions to the pension plan—in the beginning. I was a sessional employee—I had no pension. I had to withdraw my contributions. I was given 2 per cent interest on the money I had invested there. Are they the kinds of funds I would have had in an RRSP? Surely not.

Then I served under another golden pension plan as a member of the legislature. I served there for nearly four years. Interest rates in the 1980s were in the area of 18 per cent.

(1915)

An hon. member: Who got them there?

The Acting Speaker (Mr. Kilger): Again, I caution members. I know there are some very strongly held views on both sides of the House, but please direct the interventions through the Chair.

Mr. Boudria: After four years I was given my premiums back, no employer share, no transferability, no portability and 4 per cent interest when the interest rate was 18 per cent. Would anyone else invest their contributions that way? I suggest not.

I have contributed to the federal MPs pension plan since 1984, 11 years. The Library of Parliament research office calculated the value of the premiums I have paid plus interest, based on the regular guaranteed investment certificate rate. I have contributed in interest and premiums, \$136,988. That is what I have paid personally toward the plan, interest and premiums included.

Some members across the way were asking why all of this was not in an employer-employee plan, jointly contributed, a money purchase plan of sorts where both sides contribute the same amount. If that would have been the case with me I would now have \$273,976. Just the interest on an amount of that size at 10 per cent would be \$27,000 a year which I could draw right now. If I were defeated today as an MP I would get about \$30,000

Government Orders

instead of \$27,000. That is the gold plated pension plan those people across the way talk about.

They talk about these unfunded liabilities. These unfunded liabilities are based on assumptions of the nature that the money I contributed toward the plan bears no interest. Who has ever said that? Nobody. That is why they make these kinds of allegations but they need to be substantiated with some facts and some truth.

Yes, of course, Mr. Speaker, you could probably find someone's grandmother here and find an unfunded liability for their old age security cheque. If you revealed those numbers, someone who is 65 and expected to live until 85, 20 years times an OAS cheque, plus the supplement if they so qualify, that would make a huge amount too. Are the people across the way suggesting we cancel that?

If that were the only element of debate it would be awfully shallow. It is awfully shallow. I am not ashamed of the paycheque I get as an MP. I am not asking for more at all. I think I do an honest job of trying to serve the people who sent me here many years ago.

Some hon. members: Hear, hear.

Mr. Boudria: I said at the beginning of my remarks that I had been a federal civil servant. I know I have said this before but I will repeat it now. I started here as a busboy in the parliamentary restaurant. The other day I looked at my paycheque when I first started. It was \$86 for two weeks. That was on October 25, 1966.

I work hard for my constituents and I think we should be working hard. There is nothing wrong with our doing that. I am not complaining about it. I am glad that I work hard. I am glad I have the health and so on to do that which is required of me to properly serve my constituents. At the same time we should stop pretending that MPs are overpaid and underworked, do not do anything and so on.

If the only thing wrong with that would be that we criticize each other, I suppose it would be secondary. However we are diminishing the whole institution by keeping this up. Of the G-7 nations, Canada is either sixth or seventh in terms of the compensation it offers to its legislators at the national level. It is not the highest. We are not pigs at the trough. What kind of nonsense is that?

An hon. member: Garbage.

Mr. Boudria: It is garbage and that is all it is. We are trying to do the appropriate job for those who sent us here.

I sit with a number of others on the Board of Internal Economy. We have made cuts everywhere we could and we are continuing to do that. We are going to continue to strive to do a good job, one that is economical for those we serve. At the same

time, I say to members across the way that when they start doing things like saying members are worth nothing or very little, they do not win.

(1920)

Some members across the floor were high ranking people in the military. How many people in the military are chauffeured around with limousines as part of their jobs? Do they have to account for that every day? Do members of the military have to put up with this kind of debate about their pensions? No, and I am not saying they should.

We were told by one member that the normal age of retirement and getting a pension is 65. That is what he said to us. We are going to be dealing with bills shortly to bring the retirement age in the public sector from 55 to as low as 50. So where is the truth in what we heard earlier? It is not there.

I end on the tone I started on. We made commitments through the red book. We are going to deliver to the people of Canada. At the same time, it does not mean we are doing a service to democracy by doing the damage that some people are trying to do.

I am now at an age where some of this is starting to make less and less difference. I am already here. I have been elected. My children are advancing in terms of university and everything else. None of this will probably affect me in the future, or if it does, very little. People who are 25 or 35 years old and want to run in the next election, I do not want for them to be unable to run because they cannot afford to, because they cannot afford the compensation package and because they cannot afford to leave the workplace.

As I said, I am already here as are all of us, but we have to remember that we are not here permanently. Others will come after us. To destroy the institution is serving no one.

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, I wanted to follow up on my colleague's remarks and comment on the extensive damage this debate is doing.

I ran as an MP solely because I wanted to serve my country. Many people on the other side of the House, certainly the Reform Party, would have us believe they did the same thing and I believe them. Bloc members also have run as members of Parliament because they have an idealism, they believe in a cause. I might not agree with that cause, but they have run for the very best of principles.

I have received 20 letters on this issue, 20 special letters. They are from a school in my riding and the children are only 12 years old. Those letters condemn me as a member of Parliament as a result of this debate. They accuse me of being at the trough. They ask: Why am I taking these inflated salaries? Why am I cheating the public? Obviously this group of school children

Government Orders

have a teacher who has the same view as the members of the Reform Party.

What is happening in this debate has destroyed the face of those children.

Some hon. members: Oh, oh.

Mr. Bryden: Laugh if you will, members of the Reform Party.

The Acting Speaker (Mr. Kilger): Order. As I said earlier, I know there are some strongly held views on this debate as is the case on every debate, but the interventions must be made through the Chair.

Mr. Bryden: Mr. Speaker, I was getting a little heated there anyway. I do want to make the point that it is terrible to read those letters from those children and to see they have lost faith in their members of Parliament, not just me but all members of Parliament and the institution. That is the price of attempting a political advantage by this debate. That is exactly what it is. The members who have initiated this debate should really think twice. I agree with my colleague that they are destroying the institution and they are destroying the faith of the children in this land.

(1925)

Mr. Boudria: In Britain in the 1830s the great reform act was passed. I think it was eventually passed in 1832, if my memory serves me. The debate lasted a very long time. The reform act had two purposes at that time. One was to widen the franchise because very few people had the right to vote in the United Kingdom, which included Ireland. Some of the people who fought the most to ensure both features were included in the legislation, widening the franchise and giving salaries to MPs, were the people of Ireland.

It was their feeling that if a person came from a disadvantaged group the chances of their kind being represented in Parliament were nil. Daniel O'Connell was elected to the Parliament of the United Kingdom. He was known as the liberator. The liberator was elected to Parliament but he came from a very wealthy family.

In spite of the fact that he was elected, I believe, in 1829 it took a number of years before others could get elected because there were no salaries for MPs. If they were fortunate enough to sit on the government side they had the government benefits at the time. They had what they called offices; they served in various functions. If they did not receive government benefits, as the minority Catholic members obviously would not have, they received no salary for being an MP. That was seen as being the biggest disadvantage for people seeking public office.

Widening the franchise enabled everyone to vote and made it possible for people to seek public office because they had a salary by which to transport themselves to Parliament. Those

were seen as the two important things. That is the history of that Parliament. Our lot is not the same and I will not say it is.

I would like to close by saying what I said initially. I was able to run for election to be an MP notwithstanding that I started from the lowest rung of the ladder. If I had been rich I could have run notwithstanding anything else. I was not and I am still not rich but I was able to run notwithstanding. I am today a member of Parliament in the highest court of the land representing my constituents.

Because there is a salary and benefits it makes it possible for not only wealthy middle aged men to run, but for young people, people from disadvantaged groups, and all others to come here. Parliament, if it is a democracy, should be a microcosm of those we claim to represent. Rich people should have a right to run, poor people should have a right to run, men and women, all equally. In our efforts to make things better let us ensure we are making them better, not worse. That is the point I wish to make.

The Acting Speaker (Mr. Kilger): Is the House ready for the question?

Some hon. members: Question.

(1930)

The Acting Speaker (Mr. Kilger): The question is on the amendment to the amendment. Is it the pleasure of the House to adopt the amendment to the amendment?

Some hon. members: Agreed.

Some hon. members: On division.

(Amendment to amendment agreed to.)

The Acting Speaker (Mr. Kilger): Resuming debate on the amendment, as amended, with the hon. member for Kootenay East.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, it is interesting to me as an absolute novice in the House that we are at the mercy of people on the other side like the member who just spoke. They have parliamentary knowledge having gone to England and learned at the feet of the masters how to run different affairs within the House of Commons. It is particularly disappointing on an issue that is key to my relationship as a politician with the people I represent that the government would try through procedure to slip it through the House tonight so that it could get it under the cover of a committee.

The member from Hamilton talked about the fact that young people in his constituency have approached him and written him letters saying that they have a low regard for politicians. The problem is that he does not understand the actions of the government today in the House of Commons are a duplication of the actions of previous governments of the Liberal stripe and of the Conservative stripe, whereby politicians consistently looked

Government Orders

after themselves to the best of their ability. That is the reflection these young people have.

We can look at the fancy words in the red book about restoring integrity and about building bridges between the people in the constituencies and the politicians. However we see in the actions tonight, in the total waste of time of this assembly, the reality. The reality is that the government will do anything it needs to do to slide this kind of process through the House.

In looking at the issue it is interesting how we as members of Parliament arrived here. Totally contrary to the assertions made by the Liberals, the member for Calgary Centre and I as do all of us agree that the pay package or the actual salary package is deficient against the number of hours being put in and the level of responsibility of members of Parliament.

What did previous politicians do? They said that it was too visible, too transparent, that people would see they were doing something to change it around. Therefore they came up with the gold plated pension plan. Now we are faced with a situation where in taking a look at the pension plan and at the changes proposed in the legislation currently before the House we simply compound error upon error. We simply continue to generate a situation where we have a wall between ourselves and our constituents.

(1935)

I find it absolutely astounding for the Liberal members to assert that somehow it is only in Reform constituencies, that it is only our constituents who are concerned about this issue.

It makes me think of when we were having a debate about the very meagre, weak-kneed measures that were brought forward by this government with respect to the Young Offenders Act. We were having a debate in this House of Commons, I believe on the Thursday immediately prior to the Liberal convention.

Reform members of Parliament were being told that everything was fine and the only place where there were any problems and any desire to make changes to the Young Offenders Act was in the Reform constituencies. What an amazing thing. There were only 52 constituencies out of 295 that had a problem with the Young Offenders Act, or so it was being represented by the Liberals.

It was particularly fascinating that what ensued out of the convention convened by the Liberals on the Friday, Saturday and Sunday is that members of their constituency organizations told them that Reform was right. They told them that there was a problem.

Could someone inform me what the annual membership fee is to be a Liberal party member? I assume one has to pay or do they give them away?

Mr. Knutson: Ten dollars.

Mr. Abbott: Ten dollars. In other words, for people in Canada to get a message through to Liberal members of Parliament they should line up, pay their \$10 and then maybe they will be listened to within the confines of one of those meetings. That seems to be the only place that this kind of communication is actually taking place.

I am relating this young offenders story specifically to this issue. The situation in this House is that within our party, as members of Parliament, we walk around trade fairs and we walk up and down the streets in our constituencies and people approach us saying that this is the issue. I challenge members present to tell me with a straight face that people in their constituencies do not see this as a problem. I cannot comprehend that this is a problem in only 52 constituencies.

One of the problems it has created is when one ends up with the travelling information gathering road shows the government puts on. I should not say that in such a way because it does sound rather denigrating. When the government makes an effort to listen to the people it moves a standing committee around Canada.

As an example, the member for Cape Breton Highlands—Canso went around last fall getting input on social programs. I wonder if there were any walls between him as the chair of that standing committee and the people he was talking to about the downgrading that was going to have to happen with respect to social programs. According to the figures I have in my hand, if he were to resign today he would be eligible for \$1,495,663. Yet he in that capacity, in spite of being eligible for \$1,495,663, was telling people: "I am sorry, we are going to have to downgrade the social programs".

There is that kind of wall. I appeal to the best sense, if they have best sense, of the people on the other side of the House. I ask them to listen to the people if they ever go to trade shows or if they ever go walking up and down the streets.

If they listened they would hear that the issue is the major barrier between all of us as politicians and ordinary Canadian citizens. It is simply not right that we should be able to have a program three times as generous as can be had in the private sector. It is a wall; it is a barrier. I appeal to members opposite to take another look, to wipe out the existing legislation and go with \$1 to \$1. Let us get out of the faces of ordinary Canadians and break down the wall.

[*Translation*]

The Acting Speaker (Mr. Kilger): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Kilger): The question is on the amendment. Is it the pleasure of the House to adopt the amendment as amended?

Some hon. members: Agreed.

Government Orders

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion, the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

And the bells having rung:

The Acting Speaker (Mr. Kilger): At the request of the representative of the whip of the official opposition, pursuant to Standing Order 45, the recorded division on the motion now before the House stands deferred until Monday at the usual hour of daily adjournment, at which time the bells to call in the members will be sounded for not more than 15 minutes.

The House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24.

(The House adjourned at 7.43 p.m.)

CONTENTS

Thursday, May 4, 1995

ROUTINE PROCEEDINGS

Government Response to Petitions

Mr. Milliken 12149

Committees of the House

Procedure and House Affairs

Mr. Milliken 12149

Petitions

Bill C-41

Mr. Milliken 12149

Justice

Mr. McClelland 12149

Rights of the Child

Mr. Jordan 12149

Assisted Suicide

Mr. Jordan 12149

Government Spending

Mrs. Hayes 12149

Assisted Suicide

Mrs. Hayes 12150

Rights of the Unborn

Mrs. Hayes 12150

Human Rights

Mr. Crawford 12150

Rights of Grandparents

Mrs. Jennings 12150

Assisted Suicide

Mr. Williams 12150

Mr. Solomon 12150

The Senate

Mr. Solomon 12150

Mining

Mr. Serré 12150

Armenian Genocide

Mr. Assadourian 12150

Human Rights

Mr. Blaikie 12151

Questions on the Order Paper

Mr. Milliken 12151

GOVERNMENT ORDERS

Members of Parliament Retiring Allowances Act

Bill C-85. Motion for second reading 12151

Mr. Eggleton 12151

Mr. Plamondon 12156

Miss Grey 12161

Motion 12167

Mr. Solomon 12167

 Mr. Hermanson 12170

Mr. Silye 12171

 Mr. Assadourian 12174

 Mr. McClelland 12175

Mr. Duhamel	12176
Mr. Morrison	12179
Mr. Penson	12180
Mr. Harvard	12182
Mr. Adams	12183

STATEMENTS BY MEMBERS

Elsbeth Hogg

Mr. Mitchell	12183
--------------------	-------

Atlantic Groundfish Strategy

Mr. Canuel	12183
------------------	-------

Taxation

Mrs. Hayes	12184
------------------	-------

India

Mr. Bhaduria	12184
--------------------	-------

Elizabeth Fry Week

Ms. Torsney	12184
-------------------	-------

Nuclear Non–Proliferation Treaty

Mr. Flis	12184
----------------	-------

1939 Casino Band

Mr. Richardson	12185
----------------------	-------

National Marine Strategy

Mr. Lebel	12185
-----------------	-------

Rights of Grandparents

Mrs. Jennings	12185
---------------------	-------

Canadian National Railway

Mr. Taylor	12185
------------------	-------

Mental Health Week

Ms. Fry 12186

V–E Day

Ms. Augustine 12186

Montreal Economy

Mr. Patry 12186

Quebec Sovereignty

Mr. Lavigne (Beauharnois—Salaberry) 12186

Taxpayers Protection Act

Mr. Grubel 12186

French as Language of Work

Mr. Bertrand 12187

Kent State

Ms. Clancy 12187

ORAL QUESTION PERIOD**Interprovincial Trade**

Mr. Gauthier (Roberval) 12187

Mr. Manley 12187

Mr. Gauthier (Roberval) 12187

Mr. Manley 12187

Mr. Gauthier (Roberval) 12187

Mr. Manley 12188

Employment Centres

Mrs. Lalonde 12188

Mr. Axworthy (Winnipeg South Centre)	12188
Mrs. Lalonde	12188
Mr. Axworthy (Winnipeg South Centre)	12188

Atlantic Groundfish Strategy

Mr. Manning	12188
Mr. Axworthy (Winnipeg South Centre)	12189
Mr. Manning	12189
Mr. Axworthy (Winnipeg South Centre)	12189
Mr. Manning	12189
Mr. Axworthy (Winnipeg South Centre)	12189

Canadian Armed Forces

Mr. Jacob	12189
Mr. Collette	12189
Mr. Jacob	12190
Mr. Collette	12190

Members of Parliament Pensions

Miss Grey	12190
Ms. Copps	12190
Miss Grey	12190

Government Spending

Mrs. Picard	12190
Ms. Fry	12190
Mrs. Picard	12191
Ms. Fry	12191

Aboriginal Affairs

Mr. Ringma	12191
Ms. Copps	12191
Mr. Ringma	12191
Mr. Anawak	12191

Hughes Aircraft

Mr. Guimond	12191
Mr. Young	12191

Mr. Guimond	12191
Mr. Young	12191
Montreal Economy	
Mr. Allmand	12192
Mr. Massé	12192
Babbar Khalsa Society	
Ms. Meredith	12192
Mr. Anderson	12192
Ms. Meredith	12192
Mr. Anderson	12192
Seasonal Work	
Mr. Dubé	12193
Mr. Axworthy (Winnipeg South Centre)	12193
Mr. Dubé	12193
Mr. Axworthy (Winnipeg South Centre)	12193
Immigration	
Mr. Hanger	12193
Mr. Marchi	12193
Mr. Hanger	12194
Mr. Marchi	12194
Infrastructure Program	
Mr. Lastewka	12194
Mr. Eggleton	12194
Quebec City Bridge	
Mr. Paré	12194
Mr. Young	12194
Health Care	
Mr. Hill (Macleod)	12194
Ms. Copps	12194
Infrastructure	
Mrs. Wayne	12195

Mr. Young	12195
Presence in Gallery	
The Speaker	12195
Points of Order	
Question Period	
Mr. Milliken	12195
Mr. Hermanson	12195
Mr. Boudria	12196
Member for Nunatsiaq	
Mr. Hermanson	12196
Business of the House	
Mr. Gauthier (Roberval)	12197
Mr. Gray	12197

GOVERNMENT ORDERS

Members of Parliament Retiring Allowances Act

Bill C-85. Consideration resumed of motion for second reading and amendment .	12197
Mr. Adams	12197
Mr. Abbott	12199
Mr. Mills (Red Deer)	12200
Mr. Calder	12202
Mr. Abbott	12203
Mrs. Brushett	12204
Mr. Williams	12206
Mrs. Hayes	12206

ROUTINE PROCEEDINGS

Committees of the House

Aboriginal Affairs and Northern Development

Mr. Milliken	12207
--------------------	-------

Motion	12207
(Motion agreed to.)	12207

GOVERNMENT ORDERS

Members of Parliament Retiring Allowances Act

Bill C-85. Consideration resumed of motion for second reading	12207
Mr. Williams	12207
Mr. Mitchell	12209
Mr. Milliken	12211
Motion	12211
(Motion agreed to.)	12211
Mr. Shepherd	12211
Mr. Hermanson	12212
Amendment to the amendment	12216

PRIVATE MEMBERS' BUSINESS

Divorce Act

Bill C-232. Consideration resumed of motion for second reading	12216
Ms. Torsney	12216
Mr. Dumas	12218
Ms. Copps	12219
Ms. Bridgman	12219
Mrs. Terrana	12221
Mr. Forseth	12221
Mr. Boudria	12222
Mr. Langlois	12222
Mrs. Jennings	12223
(Motion agreed to, bill read the second time and referred to committee.)	12223

GOVERNMENT ORDERS

Members of Parliament Retiring Allowances Act

Bill C-85. Consideration resumed of motion for second reading	12224
Mrs. Hayes	12224

Mr. Silye	12227
Mr. Culbert	12228
Mr. Milliken	12228
Mr. Boudria	12229
Mr. Bryden	12232
(Amendment to amendment agreed to.)	12233
Mr. Abbott	12233
Division on motion deferred	12235