

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
First Session — Thirteenth Legislature
37th Day

Friday, April 5, 1957

The House met at 2.30 o'clock p.m.

SECOND READING

Teachers' Superannuation Act

Moved by the Hon. Mr. Lloyd: That Bill No. 98 – An Act to amend The Teachers' Superannuation Act – be now read the second time.

Hon. W.S. Lloyd (Minister of Education): — Mr. Speaker, I think there are at least two warnings I ought to issue before I begin to move Second Reading to this Bill to amend The Teachers' Superannuation Act. One is that I shall undoubtedly speak at some length. I do this for several reasons, one being that there are a number of new members in the House who may not have had much opportunity to know the general background of the Teachers' Superannuation in the province; secondly because it is a rather involved and somewhat complicated matter, about which a reasonable amount, at least, of misinformation has been given. The second warning that I want to give, Mr. Speaker, is that it is only slightly more involved than the School Grants formula, and that should put everybody at ease to begin with.

There are a number of reasons for amendments to The Teachers' Superannuation Act at this time. It is a matter of record, of course, that we have gone through a period of inflation; it may have been slowed down to a creeping inflation in recent years, but nevertheless, it has been the most effective robber of the 20th century. This kind of change does destroy the value of pensions in any group. Secondly, there are conditions within the province, but not peculiar to the provinces of Saskatchewan nor peculiar to the profession of teaching, which make it desirable to improve in this province and other provinces to stay longer in the profession. I think it is also true that in all occupations, age is not quite so old as it used to be. There was a time when the age 65 was almost a sacred number in terms of retirement. People who are studying the problems and possibilities of age seem to be convinced that there is more productivity in older persons than we once expected.

Hon. R.A. Walker (Attorney General): — You're just getting older.

Hon. Mr. Lloyd: — My seatmate says this is purely because I am getting older myself. It is true that the present plan of Teachers' Superannuation did not encourage to any extent, by virtue of a hope of greater pensions, people staying in the profession after the age of 60. It is felt that there is some change of emphasis needed in this regard.

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We must also recognize that there is particularly severe competition for teachers with more advanced training, and that this competition is increasing and will increase. It is a competition between provinces, it is also a competition between professions and occupations. If Saskatchewan is to retain our teachers with some emphasis on this particular group, then we must be aware of this competition; certainly the possibilities for superannuation is an area of competition, and certainly improving superannuation is one of the means of retaining them.

While I am recommending very considerable improvements to the present Act, this is not to say there are not many excellent features in our present Act. It began, and from rather a slow start, has steadily overtaken many other pensions plans. To get a good view of it, it must be taken in its entirety. Conditions of retirement under our present Act are as good, and indeed, better than provided in similar Acts in many other provinces. Our Act provides equality between men and women. I might say it provides equality between men and women plus, because there is an actuarial finding which says that women live longer than men. We have been convinced that they don't really live longer; they just think they live longer, and so we have placed them on the same basis, rather than handicapping them by deduction of pension when they retire.

Our Act, in its recognition of past service, is at least as generous, and more generous than many other Acts. So, with regard to its recognition of broken service – teachers who leave the profession, and then come back to it. With regard to credit while serving in the armed forces, our Act provides such credit without any contribution on the part of the teacher. Several other Acts provide such credit only if the teacher has paid a full contribution of money to the fund during those periods. We have provided an opportunity for an unrestricted increase prior to the age of 70. This again is in some other Acts, but certainly not in all. Dependents in our Act have a wider definition than is found in most other Acts, including, for example, mothers and fathers in addition to just wife, husband or children. It provides, as some Acts do but not all, that teachers may contribute more than the required percentage of their salary, and when they do so, this contribution accumulates interest at the rate of 4 per cent compounded semi-annually. This 4 per cent interest rate is again higher than in a number of other Acts, at least.

I am not suggesting that all of these features which I have mentioned are peculiar only to the Saskatchewan Teachers' Superannuation Plan, but I am suggesting that more of them are found in our plan than, in my opinion, will be found in any other single plan. It must be borne in mind that each of these costs some money, and each is worth money insofar as the teacher and the superannuate are concerned.

Again, in terms of average pensions, what has been produced by our present Act compares well with other Acts. Just about a year ago, Mr. Speaker, I think I gave figures in this House for the group of teachers who had most recently superannuated for age and service, and at that time the average pension of those superannuating in either Manitoba or Alberta. It is quite true, on the other hand, that our plan has not produced as high a pension for those with high salaries as has some of the other plans. If we must be competitive, whether we like it or not we must give attention to this

aspect. Again I think it perhaps has not provided enough incentive to remain in the profession for longer periods.

I want to take some time, in the beginning, to refer briefly (I hope) to the development of Teachers' Superannuation in the province of Saskatchewan. It was first introduced in the year 1930, and we operated basically under that Act, with improvements, until 1942. This first Act provided for a pension on a percentage-of-salary basis, a basis similar to that which we still have in The Public Service Superannuation Act. It provided for a minimum pension of \$360 a year and a maximum of \$2,000 per year. There were no retroactive payments, and there was some consideration of the past service of teachers, and as a result the plan began with no cash but with an already accumulated deficit. For a period of some considerable years the only cash available was that provided through the Teachers' Annual contribution of 4 per cent of salary per year, and the forfeitures left in the fund by teachers who left the profession. By the time a number of years had rolled around and the contributions of current teachers and forfeitures having paid all of the pensions under the Act, there was a very considerable increase in the deficit. 1939 saw an actuarial investigation – an investigation which caused a great deal of concern to the Government, I am sure, and certainly to the teaching body. There was also concern at that time with regard to the adequacy of distribution under the Act, as it existed.

1942 saw the repeal of this first Act and its replacement by an Act which is basically that which we have on our statutes today. At that time there were 196 pensioners. The cost of continuing the payment of the pensioners for this group was assumed by the Government of the day. This was the first time that the Government had actually put money, outside of administration, into the fund. Those 196 pensioners also had their pensions decreased. A formula was established which affected a decrease in pensions for persons with pensions over \$350. The Government also restored the contributions of active teachers which had been used to pay pensions prior to that date.

The basis of the Act introduced at that time was that which we call the "Service-Annuity" principle. Pensions were, and continue today to be, made up of three parts. There was that part which we call Annuity (a), made up of the accumulated value of the contributions which each teacher makes; these contributions accumulating at the rate of 4 per cent compounded semi-annually. There is and was, an Annuity (b) which was a fraction of Annuity (a), determined by taking the relationship between those years for which a teacher did not contribute prior to 1930 and those years after 1930 – that relationship, or that fraction of Annuity (a). This was devised as a plan to bolster the rather small annuities. It will be understood that, in 1942, since teachers had contributed to the plan for a maximum of 12 years, and since they had contributed on low salaries, the annuity portion was small indeed. This was a plan to bolster Annuity (a). The cost of it was taken by the Government. It constitutes a decreasing fraction, and will disappear entirely when all teaching service has been service since 1930.

The main part of the pension plan is that which we call the 'Service Pension.' This provides for a certain number of dollars for each year of service at a certain age. The rates established in 1942 were

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these: for a female teacher, age 60 — \$10.40 per year of service; for a male teacher age 65 — \$12.00 per year of service. In other words, the female teacher, age 60 with 30 years of service would retire with a service pension of \$312 a year, and a male teacher age 65 would retire with a service pension of \$360 per year. Added to this would be the annuity (a) and the annuity (b) of which I have just spoken.

Conditions of pension were that for a male teacher, he must have 95 years of combined age and service; for a female teacher 90 years of combined age and service. Teachers were allowed a choice of plans on superannuation. They might take a single life plan; on the other hand, if they were interested in protecting dependants, they would choose a joint life and last survivor, or some other plan of guaranteed payments over a period of years.

With regard to finance, the Government assumed the administration costs; the costs of annuity (b) and the costs of the service pension, and guaranteed those costs. It had the use of revenue from forfeitures in order to pay these particular costs.

May I just spend a short time in mentioning changes which have been taking place since the plan was originally enacted in 1942. Over the years there have been a number of increases in the service pension plan. The service pension plan at the moment stands at \$30 per year of service prior to 1935, and \$30 for years of service since 1935. The higher rates prior to 1935 were again to compensate for the small annuities. In other words, we have this comparison. Taking the female teacher, age 60 with 30 years of service, you will recall that her service pension in 1942 would have been \$312; the service pension of that teacher today would be \$1,200 – almost four times as great. A male teacher would have had in 1942, a service pension of \$360. Today it would be \$1,200 – not quite four times as great, of course.

To this I should add that all pensioners since 1942 have enjoyed the full benefit of the five increases in service pension rates made since that time. In addition to this very substantial increase in the service pension, there have also been some improvements with regard to conditions of retirement. The male, who previously had to have combined age and service of five years longer than that of the female in order to superannuate, has been, in this case, given equality with the ladies. He can now superannuate with 90 years of age and service combined. Disability which was previously available only after 20 years is presently available after 15 years of service. A very important change was made some years ago, when it was made possible for teachers to provide a pension for their dependants by paying an additional amount per year. Prior to that time the dependants received only the contributions with interest, in return. At the present time, a teacher with 10 years of service or more, by paying \$25 per year for a period of 15 years, may provide for the dependants in the case of death before pensionable age. The financial part of it, the division of responsibility, is as before. Teachers' contributions, however, have been increased from a required 4 per cent to a required 5 per cent. It should be mentioned, however, that this increase of one per cent does not assist the Government in financing the plan; it goes to the teachers' annuity. Again, teachers may contribute an additional percentage of salary, or they may contribute a lump sum, in order to build up their annuity.

Since 1945 the Government has been making an annual contribution to the fund. You will have noticed that the contribution for 1956-57 was close to \$600,000; this is exclusive of the money from forfeitures which was used during the year. An optional increase in pension prior to the age of 70 has been allowed, and, of course, if this is taken advantage of, the pension then decreases at age 70. It is, in effect, a means of prepaying some of the old-age pension.

With that bit of history of the plan, I want to turn to the proposals which are contained in the amendments before us. I will deal with these proposals in terms of three groups; first of all, those persons who pensioned prior to 1942; secondly, those who pensioned after April 1, 1942 but before January 1, 1957; and thirdly, those who shall pension in the future.

With regard to the pensioners prior to 1942, I may say that we do not propose any increase in their pension rates. Of this group there are 91 still living; their maximum years of contribution to the fund was, of course, 12. It may be of interest to note that our oldest pensioner is now 91 years of age, and living at Lone Rock. Our second oldest pensioner is 90 years of age, living in Toronto – a lady who last taught in the city of Regina. 81 of the group of 91 are over 70 years of age. 52 of this group are getting more than they received in pensions originally. You will recall if they pensioned before 1942, they had a decrease in their pension in 1942. That cut has been restored for 52 of them, and 52 of them are getting more than they obtained when they originally pensioned. The 39 others, all of whom are over 70 years of age, are getting less than they got prior to 1942, prior to the original pensioner, but, with the old-age assistance, are receiving more than that original allowance. 80 of the group of 91 are getting more today than was their allowance, April 1, 1942. The increases for this particular group have varied, of course. We put the emphasis on bringing those who had \$360 or \$400 or “\$500 pension up; the maximum increase which has been passed on has been \$650.

The second group with which I wish to deal are those who have pensioned after April 1, 1942, but before January 1 of this present year. May I say, to begin with, that a number of these have pensioned under disability. Those who have pensioned under disability, we are increasing their pension to a minimum of \$900.00. The Act at the moment provides a minimum of \$600, even though many of them qualify for less under the provisions of the Act; the amendments will bring them up to \$900, (unless, of course, there may be some who are under partial disability) in which case it is in the discretion of the Teachers’ Superannuation Commission.

The second and the largest group are those who pensioned for age and service. May I say here that I have a House amendment to offer, because the Bill makes provision for adjustment to this group as, I think, from July 1, 1957; it should read April 1, 1957. Some of this group will qualify for an adjustment. We have said, first of all, that if, at the time of retirement, these teachers were at least 59 years of age or over with 35 years of service or more, they may qualify for an adjustment. The adjustment is provided on an increasing percentage basis. If they have the 35 years of service, it will be 10 per cent of their pension, and as the years of service increase, than the adjustment will increase until it reaches, at 45 years of

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service, a 20 per cent increase in pension. There is, however, one proviso, and that is, provided that the adjustment does not produce a pension in excess of what the new formula to be applied to those pensioning after January 1, would provide. Quite obviously, I think, we should not provide more for this group than we would provide for teachers in the future.

There is one departure from that formula, however. For those who pensioned up to July 1, 1948, the maximum pension would be 70 per cent of their final year's salary. For those pensioning from 1948 to 1950, it will be 70 per cent of the last two years' salary; from 1950-52, of the last three years' salary, and increasing to 70 per cent of the last five years' salary for those pensioning in 1954-56. There are approximately 434 persons in this group who will be pensioned under age and service. There were 179 of this group who, on retirement, were 59 years of age, and who had over 35 years of service. About 100 of these qualify for an increase under the plan which I have just outlined. The total cost of this increase per year will be in the neighbourhood of \$30,000 to \$35,000.

Now, the question may be raised as to why we do not provide full retroactivity; as to why all the pensions of all the persons who have superannuated do not receive the full effect of the new formula. That, of course, has been done up until this particular change. I would like to take just a minute to tell the Legislature of what improvement there has been in the pensions of this group, because some five changes in pensions have been made applicable to them. Those teachers who pensioned in 1942, 1943 and 1944 have already enjoyed, on the average, increases of \$1,000. That is, the average pension of that group today is about \$1,000 greater than the average amount received by them at the time of pension. Those who superannuated in 1945, 1946 and 1947 have had average increases of some \$600. Those who superannuated in 1948, 1949, 1950 and 1951 have had average increases of \$500, and those who superannuated during 1952, 1953 and 1954 have already enjoyed, on the average, increases of \$250. Many of these persons are receiving pensions in excess of their final year's salary. By far the greater part, of course, is being paid for out of public funds, and I suggest, Mr. Speaker, it is unrealistic and unreasonable to propose that we should continue forever the process of granting full benefits resulting from changes in the Act.

Some of these people, I emphasize again, have already received, on the average, \$1,000 more than they were receiving at the time of their original pension. Many of them are getting more than they received in their last year of teaching. A number of them, under other pension plans, would not have been eligible for superannuation when they did, and a number of them are receiving higher pensions than other plans would have provided, had they pensioned.

Let me look just for a moment at two groups of persons eligible, in part, for increases under the proposals. I take, first of all, those teachers who pensioned at age 59. There were 41 in this group; 10 of the 41 will receive an increase according to the formula. Of the remainder, 24 received no increase because they had less than 35 years of service at the time of retirement. These 24 have received in the past an average increase of about \$300; and 14 of them have received an average increase of \$500. The highest pensions paid to any one of these 24 is to a man who retired at age 59 with 33 years of service.

Note: 59 years of age and 33 years of service. This person would not have qualified under the Public Service Superannuation Act, for example. If he had superannuated in British Columbia at age 59 he would have had to wait, only one year, until he was 60 before he could receive any pension. If he had superannuated in Alberta, he would have taken an actuarial reduction calculated as from age 65 to age 59, and by the time you get through applying that kind of an actuarial reduction, there isn't too much left. The Saskatchewan pension is \$1,383; if he had pensioned in Ontario, he would have received \$1,300. The lowest pension paid in this group of 24 to a person is \$1,063, but I hasten to add that this is all-service pension; the teacher having withdrawn all of the annuity portion. This teacher superannuated at age 59 with 31 years of service. If she had pensioned in Ontario, her pension, including her contributions, would have been \$600 if she had qualified.

There were seven others who did not qualify for any increase, because their pension is in excess of 70 per cent of the average of their last year's salary. These seven have already received an average increase over and above their original pension of \$500.

Let me look secondly, at the group of pensioners of age 65; there are 41 persons in this group. There were, you may remember also 41 who superannuated at age 59, and while only 10 of those pensioning at age 59 qualified for an increase, 24 of those pensioning at age 65 qualified for increases. The increases will average around 4300. They will range from \$50 a year to \$500 per year. the person who gets the \$500 a year is someone who had 45 years of service. This whole group had an average service of 41 years. Clearly they are the group which has given a considerable amount of service to the children and the people of this province. 17 of this group do not get an increase. Of these 17, nine get no increase because they had less than 35 years of service. As a matter of fact, only three of this group had more than 30 years of service. Their average service was only 28 years, so that, of a possible 43 to 45 years of teaching, they had taught 28 years, and 15 to 17 years they had not taught. But I cannot feel that we owe too many additional benefits to this particular group. Of these nine, they have already enjoyed an average increase of over \$200. Eight others have no increase because they are already receiving more than 70 per cent of several years' salary. These eight have had average increases in the past of \$600. In one case, the pension is \$740 more than the terminal salary; she is receiving a pension of \$740 more than the salary paid when this teacher last taught in 1945. Again, I do not think we can reasonably be expected to go very much further.

I turn now to some description with regard to proposals for persons pensioning after January 1, 1957. We do not propose, first of all, any change in the qualifying conditions. We do propose a rather substantial change with regard to rates of service pension, and we propose that a service pension will vary with age and with years of service. (I should have possibly mentioned before, Mr. Speaker, that when I refer to pension amounts, I have been, and will from now on be, referring to pensions on a single life basis). The increases provided in the service pension are designed to encourage teachers to stay in the profession, but let me first of all speak about these changes in the service pension.

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I might start with a teacher who is 60 years of age, and who has 30 years of service. The service pension rate prior to January 1 would be \$33.33 per year; that is, per each year of service this teacher would be entitled to have \$33.33 and 30 years in service pension. After January 1 was \$1,000; it will be \$1,200 after January 1. In other words, there is an increase in the service pension of \$200. Now that, admittedly, there is an increase in the service pension of \$200. Now that, admittedly, is not a very great increase, but bear in mind this is a teacher who is 60 years of age – not an old age, Mr. Speaker, by any means – and who has put in 30 years of service. If this teacher stays for another five years (which is surely what we want to encourage), until the teacher is 65 with 35 years of service, then the increase in service pension is \$617 and that provides a good incentive, and a reward, for giving five more years of service.

Let me follow through one or two other cases. A teacher who has 35 years of service and is 55 years of age will receive an increase in service pension of \$348. If this teacher stays five years more, until age 60 with 40 years of service, the increase is \$600. If this teacher stays until age 65, with 45 years of service, the increase in service pension is \$1,255.

I will take a third combination of age and service – a teacher who is 58 years of age and has 35 years of service. For this person, the increase in service pension would be \$287. If the teacher stays until 60 and has 35 years of service, the increase has gone up from \$287 to \$375. If this teacher stays until age 65 with 40 years of service, the increase in the service pension after January 1 as compared to before January 1 is \$900.5. As pointed out, the plan is designed to encourage teachers, and to reward them, for staying longer in the teaching profession.

The percentage increase in the service pension ranges from 25 per cent in this group that I have been talking about, to about 75 per cent. To the service pensions produced, we will, of course, add annuity (a). You will recall, sir, that annuity (a) is the only part of the pension purchased by the teacher's own contribution. We will add also annuity (b). This is no cost to the individual pensioner; this is this decreasing fraction of annuity (a). So the complete pension is made up of the service pension plus annuity (a) plus annuity (b), subject to a maximum allowable pension related to an average of salary.

Here again may I say that I will propose a House amendment which somewhat changes the effect of the Bill as it is on the members' desks. This maximum allowable pension I divide into two parts, or make applicable in two ways. First of all, to those teachers who, at the time of pension, are 60 years of age or who have 35 years of service, a maximum pension in the year 1957-58 will be 70 per cent of the average of their last six years of salary. Next year it will be 70 per cent of their average seven years of salary, and so on until, after June 30, 1961, the maximum will be 70 per cent of the average of the last 10 years of salary. To those who retire before 60, or who have less than 35 years of service, the maximum for this group will be 70 per cent of the last 10 years of salary immediately. The question will be raised as to why there should be some differential with regard to those who retire before age 60 nor with less than 35 years of service.

This is, of course, not again peculiar to this particular plan. If, for example, the teacher in Ontario retires before 62 years of age —

or if under that age, with less than 40 years of service, they accept a deduction for each year that their age falls less than 61. A teacher in British Columbia may retire at age 55, true; but if so, must wait until age 60 before they receive any pension. A teacher retiring in Alberta may retire before age 65, but accepts an actuarial adjustment as from age 65. So this is rather a common practice, and I think that those who pension before 60 or with less than 35 years, receive a reasonable pension, subject to some difference only because they have the privilege of early retirement.

Another provision provides that superannuates who are less than 63 years of age may, if they return to the profession for two years or more, have their pensions recalculated under the new provisions. The contribution of the teacher which goes to the annuity fund will be increased from 5 per cent to 6 per cent. Finally this change, the amount of increase to age 70 which was previously an unrestricted amount, will be limited to \$600. By that I mean this, Mr. Speaker. If a teacher's pension worked out to be, shall we say \$3,000 under the provisions of the present Act, they could increase that prior to the age of 70, any amount whatsoever. They could take all of their old-age pension after age 70; before age 70 theoretically. We propose now that the maximum increase which they will be allowed to take will be \$600. On reaching the age of 70, then, of course, their pension will be adjusted downwards.

A question which can properly be raised here is – why do we use 70 per cent – why do we use a maximum; why do we use 70 per cent of the average salary over a period of years as the maximum? There may be some who argue that this destroys the principle of a service pension. I think it is axiomatic, Mr. Speaker, that a principle is valid only until it conflicts with another equally (or more) valid principle. One of the weaknesses of the service pension principle is that, as your service pension increases, it can produce pensions higher than salaries. This, I suggest, would be obviously undesirable, and I suggest that for me to recommend a plan producing pensions higher than salaries, would be an irresponsible recommendation. Some maximum is essential; some regulating principle is essential. We might have used a dollar maximum to the service pension. This, however, does not provide any control of this relationship between pension and final salary. Using a percentage of salary over a period of years does provide some control which is related to actual conditions. I admit that 70 per cent of the last 10 years, or six years (as it will be next year) is no magic number in itself. But 70 per cent is a common figure in pension plans, and few, if any provide for a percentage over 70 per cent.

We could, I may say, very easily avoid the need for any maximum. We could do it in one of two ways. We could have in part avoided the need by simply removing annuity (b) which, you will recall, is a fraction of the present annuity. We do not find annuity (b) in other pension plans. I am not at all sure, Mr. Speaker, but that I should have recommended to the Legislature at this time that we remove annuity (b). It was put in there to increase pensions because annuities were low, and the service pension not very productive. The second way in which we could have avoided completely the need for any maximum pension, would have been to have kept our service pension low enough, so that there

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was no conflict between the amount produced by it, and the amount of the final salary.

I would say that, if our service pension were the rates of Manitoba or British Columbia, we could very likely have avoided the use of an overriding maximum. But we must recognize, I suggest again, this point. We are in competition with other provinces in which higher pensions are available for those teachers getting higher salaries, and it is necessary to be realistic. By maintaining the service pension, we do provide guarantees of pensions for those persons with lower salaries which are not found in Acts based on other principles. I think it is fair to say that more teachers will achieve, or approach, the 70 per cent under this plan than under those plans based on a percentage of salary principle.

This maximum, then, that we suggest to impose, is a reasonable relation to a final year of salary. The service pension, even so limited, does provide a better guarantee for the low-salaried groups than pension plans based on a straight salary principle. It does recognize our situation and our needs.

Since there are comparisons with regard to other provinces sometimes made, and since we are in competition with these other provinces, I thought I should take some time to give to members of this Legislature some information about what happens in these other provinces. I start with Ontario. The Ontario teachers have been contributing 6 per cent since 1949, several years longer than have our teachers. They have made some contribution out of salary to the fund since 1927 – several years longer than our teachers. They have in general two types of pensions for age and service; an “A” pension which is available to those teachers who are over 62 years of age, or have 40 years of service their maximum being 70 per cent of the average of the ten consecutive years of highest salary – it was 70 per cent of the last 15 years until a few years ago; the “B” pension provides for deductions for persons who retire below these conditions, reductions which may amount to as much as 50 per cent. Let me take just a few examples. A teacher aged 60 with 30 years of service – our maximum this year will be 70 per cent of the average of the last six-years’ salary. But that teacher with 60 years of age and 30 years of service in Ontario would receive 60 per cent of the last 10 years’ salary, minus 10 per cent. There are those who would suggest that anybody superannuating in Ontario, you know, receives automatically easily 70 per cent; but at 60 years of age with 30 years of service, they would receive 60 per cent of the average of the last 10 years of service, minus 10 per cent.

Let me take the teacher aged 55 with 35 years of service. Our maximum again will be 70 per cent of the average of the last six years of salary; in Ontario 70 per cent of the average of the last 10 years of service – our maximum, 70 per cent of six years; Ontario maximum, the full 70 per cent, in this case, of 10 years will be roughly comparable to that group at the end of four or five years here. Take the teacher who is age 60 with 35 years of service. Our maximum is 70 per cent of the average of six years; Ontario’s maximum, 70 per cent of the average of 10 years, minus 10 per cent. In almost every case our relationship between pension and final years of salary is better.

I could mention that, insofar as service for the armed forces is concerned, it is counted in Ontario if the teacher has made a contribution during those years; in Saskatchewan, regardless of contribution.

I take secondly, the province of British Columbia. The minimum retiring age there is age 60. They can retire before, but they have to wait until they are 60 until they get their pension. Their contribution for a number of years has been on the average 5 per cent to the annuity fund, plus one per cent which goes directly into government revenues to pay service pensions. We have never had that kind of revenue from our teachers. There are in British Columbia certain changes which will go into effect, as I understand on July 1, 1957. These changes will provide for a service pension of \$36 for each of the first 20 years of teaching, and \$48 for each year over 20 years of teaching.

Let us look at the teacher who is 60 years of age, and has 40 years of service. The service pension of this teacher in British Columbia is \$1,580; the service pension of this teacher pensioning in Saskatchewan is \$2,000. If you assume an annuity of \$400 for each, the British Columbia teacher's pension is \$2,080; the Saskatchewan teacher's pension is \$2,400. Bear in mind that, in order to get the same annuity as the Saskatchewan teacher, the British Columbia teacher would have to contribute more, because they use lower interest rates than we do. If it was a female teacher, she would have to contribute still more, because they take into consideration the different of life expectancy of male and female, insofar as annuity combinations are concerned. So the difference is from \$2,400 in Saskatchewan to \$2,080 in British Columbia. The difference is actually greater than that, Mr. Speaker, because British Columbia has no annuity (b) and we do have an annuity (b). If the average salary of this teacher in Saskatchewan was \$3,425 or less, the maximum of our teacher would be less than \$2,400. and unless the average salary of that teacher in the last six years is less than \$3,000 the Saskatchewan pension is still greater. Even at the point at which the British Columbia teacher's pension becomes greater, remember that that teacher has, for a number of years, been paying one per cent into the service pension, which our teachers have not.

May I turn for a moment to Alberta. The teacher contribution there is five per cent. They use a percentage of salary times years of service in calculating pensions. They use 1½ per cent for those years of service before 1952 and 1 2/3 per cent since that time, and they use the average of the five highest consecutive years. They can only count, however, those years between the ages of 30 and 68 for computing the pension, with a maximum of 35 years. So the maximum percentage of these five highest years of salary they can earn is 54 per cent – 54 per cent of the highest of five years. War service may count fully if contributions are made; if not, only one-half. Continuity of service: if there is not more than one year's break before 1939, or more than five years at present. This provision applied in Saskatchewan would rule out dozens of present Saskatchewan pensioners and teachers.

A Saskatchewan teacher whose average for the last six years was \$3,000 would have a maximum pension of \$2,100. An Alberta teacher whose average five years of highest salary was \$3,500 would have a maximum of \$1,890. If the average was not \$3,000 or \$3,500, but \$4,000, the pension maximum is still \$2,160 – just \$60 more than that of the Saskatchewan teacher with \$3,000. That maximum, of course, only obtains if the teacher does not pension before age 65; if he pensions before 65, then there is an actuarial adjustment.

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I think that indicates these proposals compare at least favourably, for the greater number of teachers, with those in other provinces. I want to give just a bit more detail and a few more examples, Mr. Speaker, using the cases of 18 teachers who have, during the last several months, inquired about the amount of pension which they might receive. These 18 teachers include a variety of age and service. They provide a good cross-section of the age and service which teachers will have at time of pension. The ages range from 66 to 70. there is only one 70, only one 67, one 66, three 65, and 12 of the groups less than 65 years of age. In service they range from 22 years to 41 years; only 11 of them have, I believe, more than 35 years of service. The range if increases provided for this group of 18 under the proposed plan, compared to the present plan, is from \$83 per year to \$993 per year. That is the actual change in pension of this group who will pension under the proposed plan, compared to what it would have been had they pensioned under the previous plan.

May I say that the teacher whose increase is only \$93 is a teacher who is age 64, but who has taught only for 25 years, and gets a pension of \$1,260. On this pension, \$118 is annuity. On the other hand, the person receiving the \$993 more is one aged 66 who has given 41 years of service. This is the kind of services which deserves reward. He received an increase of \$993, and will receive a pension of \$3,077. Of this amount his own contributions have purchased about \$400.

The average increase which this group of 18 will receive is about \$400. The average pension which they will receive is about \$2,000, but this average is low, because of some of the cases similar to those I mentioned just now. Let's break it down. One of these will have over \$3,000 in pension; six of them some \$2,000 to \$3,000, and then there are 11 who have less than \$2,000. The average service of these 11 is, however, only 30 years, which, I think, we cannot consider as a long period of service. Let us just take these 11 who will get less than \$2,000. Suppose they had pensioned in Alberta. Unless their average salary for their five years was somewhat in the neighbourhood of \$4,000, they would receive a smaller pension than in Saskatchewan. In Ontario, only one of this group would have pensioned at 70 per cent of the average of the last 10 years, and pensions would have been as low as 50 per cent of the 10-year average salary, with deductions as much as 40 per cent because of retiring at an early age. In British Columbia, assuming they would have the same annuity they have in Saskatchewan, one of them would be at \$2,000, one of them would be as low as \$1,000. Of this entire group, the average annuity (the amount they have purchased themselves) is some \$320. The largest annuity in the group is \$600, which is less than one-third of the pension. The pensions range in this group from \$1,108 to \$3,077, but the person who is going to receive only \$1,108 had taught only for 22 years – about half time. The person who has \$3,077 is 66 years of age and has 41 years of service.

May I return again to attempt to illustrate the effects of the 70-per cent clause. Three out of this group are affected because of the maximum 70-per cent average of the six-years' salary which is being proposed. I would like just to take these one by one and see what would happen to them if they pensioned under a plan in one of these other provinces. Let us go to No. 1. He received an increase in Saskatchewan of \$164 to a total of \$1,887 – a person 65 years of age with 39 years of service. Under the Ontario plan, had it been applicable in this province, he would receive \$351 less than the Saskatchewan proposal will provide; as a matter of fact, almost \$200 less than our own present Act would provide. Under the Alberta

plan, he would receive not \$1,887 as in Saskatchewan, but \$1,400, or \$487 less than our plan provides, \$300 less than our present plan provides. As a matter of fact, less than that, Mr. Speaker, because this person is only 65 years of age, and this would have to be reduced actuarially to take into account the differences between age 65 and age 62. Under the British Columbia plan this person would have received \$1,892, or \$5 more than in Saskatchewan, but he had paid one per cent more into the service plan for a number of years for that \$5 a year more.

Let me take the second one of these three which are affected by this 70 per cent. Increase in pension is from \$2,081 to \$2,782, an increase of \$701—a teacher, 64 years of age with 40 years of service. Had this person pensioned under the Ontario plan, he would receive \$240 less; under the Alberta plan \$680 less; under the B.C. plan, \$600 less.

Let's take the third person who is affected by the imposition of this 70 per cent. the increase is from \$2,084 to \$3,077 (our old friend again), an increase of \$993 at 66 years of age with some 40 or 41 years of service; in Ontario it would be \$377 less; in Alberta \$717 less; in British Columbia some \$800 less.

Now, Mr. Speaker, this illustrates to some extent the far-reaching affects of this plan which is now before this Legislature. I have tried to compare, using at least two dimensions, and maybe some members may think I have had one or two other dimensions sometimes mixed up in it, too. But I have tried to compare it with the position under the present plan, and with the position in other provinces. Both space and time have entered into it. Taken in entirety, it provides a plan, I suggest, which stands comparison well with many teachers' superannuation plan in the Dominion of Canada. Certainly it compares favourably with the plan which we provide for our own Public Service; certainly, it is far superior to the plan which is provided for our teachers at the University. It provides a very considerable incentive for teachers to stay in the profession in Saskatchewan, and if it succeeds in this effort, it is worth the cost to the public.

Mr. Gibson: — Hear! Hear!

Hon. Mr. Lloyd: — The immediate increase, Mr. Speaker, in annual costs is not very great, but the problem of superannuation costs is that it is something like Lazarus — it won't stay put. It is the increasing costs in the future that we must be very much concerned with. So, while the annual increase immediately is not great, the rate of interest in the future is certainly much greater. The day is not very far distant in this province when the annual cost of the teachers' pensions, exclusive of their own contributions which purchase their annuity, and exclusive also of forfeitures, will be \$1 million a year. Not for one moment do I suggest that this is an unwarranted expenditure, nor an expenditure for which the public does not receive very real value; but I do suggest, when we are discussing a plan which provides for a continuing obligation on the people of this province, an obligation which, in not many more years, will be \$1 million a year, and will increase from that. We must approach this problem in a reasonable way, and with responsibility. It is my own conviction, which I state firmly and emphatically to the members of this House, that under this

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plan more teachers will pension with greater pensions than would be the case if we adopted in its entirety the plan of any other province in Canada. Not all cases will have greater pensions, admittedly; but very strongly I hold the conviction that more teachers will pension, under these proposals, with greater pensions than they would if we adopted the plan of any other Canadian province.

Mr. Speaker, I move second reading of this Bill.

Mr. F.E. Foley (Turtleford): — Mr. Speaker, after the last hour and fifteen minutes of discussion on the mechanics of superannuation I could not help but have several reactions. One of those reactions is that, this afternoon, the hon. Minister opposite passed one Bill on school grants involving many millions of dollars in (I think) three or four minutes, but here we have an Act which, as amended, involves some \$26,000 and it took many, many times that length of time.

I fully appreciate the involved processes of calculating the superannuation under the proposed formula; nevertheless, I feel that if, as the hon. Minister stated, the superannuation plan as proposed in the amendment is better than any in Canada then I want to suggest that teachers all over Canada need to continue to examine teachers' superannuation plans and need to strive to improve those plans to the very best of their ability. I feel that the teaching profession today, after a great number of years in this province, still lacks some of the prestige which more adequate salaries, more adequate retirement plans could lend it. We are all well aware of the great movement which has taken place among teachers from program to province over the past number of years. While I don't have the figures available I believe there is a possibility that again, this year, we may lose a great number of qualified teachers.

Listening to the hon. Minister discussing the various ratios and combinations of age and service whereby teachers can qualify for pensions, one cannot help but feel that, when the combined age and service is considered, one must live quite a long while and one must give quite a few years of service before they can qualify for a retirement pension. We are all familiar with the great rise that has taken place in the past number of years in the cost of living, the fact that our dollar value today has decreased . . .

Hon. Mr. Fines: — That's what I have been trying to say for a long time.

Mr. Foley: — . . . and yet, at the same time, we are certainly aware of the shortcomings of many of the pensions which our teachers are retiring on. I have here a list of the pensions which are being received by the 435 on pension in the province at this moment – approximately 435 teachers. I notice that a great many of those teachers have retired on pensions of less than \$2,000 per year; some are on pensions of between \$2,000 and \$3,000 and a few are in excess of that. The fact remains however, that out of 435 teachers on pension in the province at the moment, as the result of the amendment which the hon. Minister is proposing to The Superannuation Act, only 103 teachers will receive increases – or about one fourth.

I know that, in discussing the three categories of teachers, the hon. Minister presented reasons why this was so. Regarding the 91 teachers

who, under this amendment, will receive no increase, he mentioned that 52 were getting more than they were receiving as pension in 1942. However, he mentioned 39 who were over 70 years of age who were getting less than they received in 1942, but with the old-age assistance they were getting along all right. I want to suggest that the other 52, I think in most cases, were also getting old-age assistance. I don't believe that that is a reasonable argument for saying that those 39 teachers over 70, who were receiving less than they were in 1942, were getting along all right.

Coming back, then, to the fact that only one-quarter of the teachers on pension in the province will benefit from the proposed amendment, this afternoon, we found that in the Department of Education Estimates, through the deletion of Section 7, some \$30,000 was being saved by the Department of Education by cutting off the grants which have formerly been made for audio-visual equipment, school lunch equipment and various things of that nature. Now the Department has saved \$30,000 in their Estimates; and yet the Department are offering the teachers of this province, as an increase in superannuation \$26,000.

Hon. Mr. Fines: — Where do you get that figure?

Mr. Foley: — I am given to understand that that is the increase which has been voted for, the increase in pensions this year.

Premier Douglas: — By whom? Have you got the Estimates? You mean \$126,000.

Mr. Foley: — I am sorry if I am wrong. I stand to be corrected.

Hon. Mr. Fines: — Just by \$100,000, that's all.

Mr. Foley: — If it is \$126,000, I am very, very thankful.

Premier Douglas: — That new text in arithmetic is going to come in handy.

Mr. Foley: — In looking over the proposed amendment it reminded me of what took place yesterday afternoon, when we went into a study of the road building program in the province, whereby, for quite a long while, we were under the impression that the roads were built first and then they were surveyed. Fortunately, we found out afterwards that the Contour Branch of the Department did otherwise; but nevertheless, in some circumstances it looks to me almost as if, possibly, some of the amendments at least were made and then they were surveyed. Now I understand that two House amendments have been proposed already to the Act, and it is my hope to have the privilege of proposing one or two more when we deal with this Bill in Committee of the Whole.

Coming to the amendment itself I note, first of all, that we as teachers will be required to deduct another one per cent of our salary as the teacher's contribution. Now, I do not feel that this is out of line as long as we are assured of more benefits from the Superannuation Act. However, I am given to understand that a plan known as 'Plan A-1' was presented to the hon. Minister in Council and that, basically, the plan is presented in Clause 2 of the amendment. This plan would have meant increases

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in teachers' pensions for all of the teachers now on pension in the province. However, when we come to Clause 6 of the Act there, in portions 29 (a), 29 (b), comprising nearly three full pages of the Act, we find a large series of limitations, and it is this group of limitation in Section 6 which have succeeded in reducing additional pensions from the full 435 – odd pensioners in the province at the moment, down to an actual quarter of that number who will get the increases. It is therefore Section 6 of the Act which I feel in a sense is an injustice to a great many of the teachers who have devoted a great number of years of their lives to the teaching profession, to the education of young men and women whom we feel and we hope will perpetuate the minds and the thinking of those men and women in the teaching profession.

The history of education in the province of Saskatchewan over the past thirty years has seen many changes. There were the very difficult times in the 'thirties' when salaries were very low and the teachers had a very difficult time. We are having more fortunate times at present where possibly it might be possible for superannuation plans to be more retroactive than they are. The teachers in those days who contributed very small amounts and built up very small pension annuities are suffering because of that today, and yet it seems that our superannuation scheme, because of possibly the money factor and other factors, is not as retroactive as many of our teachers would like to see it. It is not taking care of some of our older retired teachers in the way we would like to see them taken care of.

I would like to refer briefly to a teacher who was forced to retire on a disability pension before having attained a full service record. I am not going to read the various problems which this teacher has encountered, but it is sufficient to say that, in mentioning seven or eight items, it is quite apparent to me that those teachers on disability pensions still feel there is much to be desired in our present superannuation legislation. Thus, when the hon. Minister says that the superannuation scheme in the province is as good as any in Canada, I say in all sincerity that I believe we should continue to strive, we should continue as best we can, to find more money to make the superannuation plans adequate.

While naturally I am keenly interested in the teachers superannuation plan, I am not unmindful of the value of all superannuation plans. I am not unaware of the fact that in many walks of life, in many types of superannuation schemes, it seems very difficult to find a way of dealing with the great number of variables that we have regarding age and service, broken service, teachers moving in and out of the province and so on. It has been complex, and there is no doubt it will continue to be complex; but here, this evening, I would like to suggest that the proposed amendments to the Superannuation Act leave much to be desired, in my opinion. As a teacher I am happy to see increases. I am happy to see 103 of our teachers on pension getting an increase. I am very unhappy that over 300 of those teachers will not receive an increase in spite of the fact that the cost of living in the past few years has nearly doubled, in spite of the fact that costs in all forms have risen, of the fact that many of our teachers, today, cannot afford to retire. They may superannuate under our scheme but still find it necessary to go to other provinces and carry on with their teaching. It seems to me that when a man or woman has given thirty or forty years in the profession in this province it should be possible

for him or her to sit back and relax a little, and if, through the efforts of our teaching profession and through the efforts of our legislation from year to year, this can be improved, then I feel that, in this way, we will be helping to continue to improve the teacher supply problem in the province, that we will not only retain our teachers but gradually we will be in the position where we will attract more and more teachers.

Therefore, Mr. Speaker, while I am not unmindful of the increases the Act is providing I feel that, because three-quarters of our teachers on pensions are not benefiting I cannot support the amendment.

Hon. C.M. Fines (Provincial Treasurer): — Mr. Speaker, I think this is a very interesting statement, and I am sure the teachers of Saskatchewan will be very interested to know that one of their fellow members is not going to support this Bill.

He stated that we may lose a great many qualified teachers this year. May I say that one of the reasons, probably above all others, why we are losing teachers in Saskatchewan is because of speeches similar to that we have just heard here.

Mr. Foley: — Mr. Speaker, on a point of privilege, I don't believe that remark was called for.

Mr. Cameron (Maple Creek): — Get out of the gutter!

Hon. Mr. Fines: — Mr. Speaker, it is certainly my opinion that these stories going around about the type of salaries that are being paid in Saskatchewan, about the poor pension plan, by hon. members opposite is doing more to create dissatisfaction and doubts in the minds of our teachers than any other single factor. I would have thought that, tonight, we could have got together on this plan, which is certainly one of the greatest improvements that has ever been made; and we have made, as the Minister pointed out so well, some five amendments to the plan since 1942. He pointed out, for example, that there are many of these 435 teachers on pension receiving less than \$2,000 a year. May I point out, Mr. Speaker, that many of those teachers who are on that list retired under the plan that was laid down by the Liberal party and the Liberal government, in 1942. What did they do in 1942? Did they do what we are doing tonight? When the new Bill was introduced in 1942 they cut the pensions of all those who had been retired previously. Those people getting from \$360 to \$730 a year had their pensions reduced by 20 per cent! In other words, a teacher who was getting a miserable pittance of \$50 suffered the indignity of having that pension cut to \$360 in 1942.

Mr. Korchinski: — Boy, oh boy!

Hon. Mr. Fines: — Mr. Speaker, may I say also that if the teacher had over \$1,440 at that time, the pension was cut by a full 50 per cent. That was the treatment that was handed out to the teachers the last time a Bill was before this Legislature by a Liberal administration.

Mr. McCarthy: — Terrible!

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Hon. Mr. Fines: — And then we have the hon. member get up and criticize this Bill because the teachers who are already receiving (as has been pointed out so well by the Minister) pensions close to \$2,000 a year — there is no thought of cutting them at all, but because they are not getting the increases he cannot support the Bill.

I would like to tell you this, Mr. Speaker. the Liberal party, in 1942 when they introduced this Bill, didn't make a plan for putting more and more money into this as the years went by; they didn't do what the Minister pointed out tonight. We are, today, when we are introducing this legislation on the Statute books, committing ourselves to very huge expenditures in the days that lie ahead.

Mr. McCarthy: — But you won't be here.

Hon. Mr. Fines: — It will not be many years until we will be paying over a million dollars. What happened in 1942?

Mr. McCarthy: — You won't be here.

Hon. Mr. Fines: — If the hon. member for Cannington doesn't wish to listen I suggest he get out, Mr. Speaker. I don't like his grunting over there.

Mr. Cameron: — Who do you think you are?

Mr. McDonald: — You got out on the wrong side of the bed Clarence!

Hon. Mr. Fines: — Mr. Speaker, I resent very much the hon. gentleman sitting there grunting.

Mr. Korchinski: — That's his privilege.

Hon. Mr. Fines: — It may be what he is . . .

Mr. Cameron: — You're a good actor, Clarence.

Mr. Speaker: — Order!

Hon. Mr. Fines: — May I point out that, in 1942 the Liberal party made provisions for a gradual reduction in the amounts to be paid. They agreed that they would take over the responsibility of those teachers who had already been superannuated prior to 1942, and at that time they voted the sum . . .

Mr. Korchinski: — Keep on grunting, Ross.

Hon. Mr. Fines: — Well, Mr. Speaker, I am sure the teachers of Saskatchewan will be interested to know that our friend from Redberry (Mr. Korchinski), a teacher has not enough interest even to stay in to listen to the Minister of Education.

Mr. Korchinski: — Don worry, I hear it all.

Hon. Mr. Fines: —The sum of \$131,500 was voted in 1942. In 1944-45 they voted not \$131,000, but a reduced amount — \$127,000; and it was the intention that that should be cut year by year. However, when we came in, in 1945, when we introduced our first Budget, we decided that we were going to try to build up that service plan. We agreed that we would put \$150,000 each year into it, even though it was only going to cost us around \$100,000 to look after the pensions for which we were responsible. We started to build that fund up away back in 1945, when we took the first step toward doing that.

Year by year this pension plan has been improved until, today, with these improvements that have been brought in, there is no question about it, Saskatchewan will have the finest teachers' plan in . . .

Mr. McCarthy: — In the world!

Hon. Mr. Fines: — . . . in Canada. There is no question about that at all.

Mr. McCarthy: — In the world; the world!

Hon. Mr. Fines: — And yet it is very interesting to have heard the spokesman for the Liberal group suggest that they are going to vote against the best plan in Canada.

Mr. B.L. Korchinski (Redberry): — Mr. Speaker, I did not intend to get up and say anything. I hoped that we would be able to keep this out of politics, but I note that the Minister of Finance (Hon. Mr. fines) is very touchy when it comes to teachers, because he realized that it was very much due to the teachers of Saskatchewan that the C.C.F. got into power in 1944

Hon. Mr. Fines: — Hear! Hear!

Mr. Korchinski: — But, Mr. Speaker, if you look today, and if you ask the teachers today what they think of the C.C.F. it is a different story, and you can see that by the way the House is formed here. Look at how many teachers are n this side and how many are on the other side. The hon. Minister of Finance said that the teachers of Saskatchewan would like to hear how the hon. member for Redberry behaves in this discussion of teachers' superannuation. I may assure the Finance Minister that the teachers of Saskatchewan (at least those that I have anything to do with) know about the hon. member from Redberry . . .

Premier Douglas: — Hear! Hear!

Mr. Korchinski: — . . . because most of my executive in my constituency organization consists of teachers. That is something perhaps that would be interesting for you to know.

There was a lot of explanation as to why this is such a wonderful pension plan and all that, but I am still wondering why there are so many teachers leaving Saskatchewan. If it is the best plan in Canada,

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I think the movement should be the other way; the teachers should all be flocking into Saskatchewan, if it is so nice and rosy here. I know teachers in our part of the country who have to do something else besides teaching school because they can not have a decent standard of living from what they are getting out of teaching, and I know teachers who are farming as a side line; some are selling insurance, and some are acting as Justices of the Peace.

Hon. Mr. Nollet: — They are not taking notes.

Mr. Korchinski: — What do you know about it? You don't know anything about it.

Hon. Mr. Nollet: — I know more than you do about it.

Mr. McDonald: — You're the only one that thinks so, 'Toby'.

Mr. Speaker: — Order! Will the hon. gentlemen keep quiet and let the member finish.

Mr. Korchinski: — This new amendment, which seems to be forcing the teachers to keep on teaching until they just fall down, reminds me of the story in the 'Animal Farm' where one of the characters worked and worked until he fell, and when he was going to be taken to a rest home, some of the animals noticed that this van that was taking Boxer to the rest home had 'glue factory' on it. This is the way we are rewarded by this new superannuation plan.

I know that everything that the C.C.F. brings in is the "best in the world". There is no question about that. That is the way they try to present their actions to the public; but I know that the teachers of Saskatchewan know about this amendment, this Superannuation Act, and they are not satisfied with it. I am not afraid to stand up here and say so, and, as I have said, I know the C.C.F. are very touchy about the teachers because they are losing the teachers' support. There is no question about that, either. In a way it might be good "poetic justice" that the same people who helped the C.C.F. get into power will help to see them out.

I am certainly not going to support this Bill.

Mr. Isaak Elias (Rosthern): — Mr. Speaker, I had actually not planned to take part in this debate, but I feel, as an ex-teacher, I would like to say a few words.

I was one of those teachers who started teaching when this plan first came into operation and, comparing it to what it was then, it is a great step ahead; and these amendments which have been brought in, I feel, are certainly a step in the right direction. That is all I want to say. We will support the motion.

Hon. J.H. Brockelbank (Minister of Mineral Resources): — Mr. Speaker, I would like on this occasion to say a few words. I am one of the not very many members of the Legislature who was here at that famous time in 1942. I noticed the three members in the Official Opposition, when the Minister was making his

speech – one of them was asleep, the other was out and the third one made a mistake of \$100,000 in his figures, which isn't too good a record. I would just like, on this occasion, to refer to something that I said back in 1942, as reported in the 'Leader-Post' of April 13, 1942, just about 15 years ago.

Mr. McCarthy: — Take it as read.

Hon. Mr. Brockelbank: — I was reported in the 'Leader-Post' this way:

“Regret that the Government had not found it possible to adopt the principle of the British Columbia legislation and fix the basis of annual payments to retired teachers at \$15 for each year of service, was expressed by J.H. Brockelbank (C.C.F., Tisdale)”.

We even had R.M. Pinder, Liberal, Saskatoon, supporting Mr. Brockelbank in this view.

Mr. Korchinski: — He must have been misquoted.

Hon. Mr. Brockelbank: — I am particularly happy to be here on this occasion when, as the Minister has pointed out, we have not only matched, but stepped ahead of, British Columbia in our pension plan for teachers. I will support the motion.

Mr. Speaker: — The Minister is about to close the debate. Anyone wishing to speak must do so now.

Hon. Mr. Lloyd: — Mr. Speaker, I think I need not say very much in reply to, or in comment on, anything that has been said. The member for Turtleford (Mr. Foley) seemed to object to the fact that I took some considerable time to outline what is a difficult problem. I assure you and I assure him, Mr. Speaker, I did so because I thought that perhaps members like himself and others would be interested in getting some of the essential information which they ought to have before they make up their minds on such a Bill.

Hon. Mr. Brown (Provincial Secretary): — They had it made up before they started.

Hon. Mr. Lloyd: — He made some reference to the amount of money involved, and that seems to me to indicate the fact that he really hasn't grasped the situation too well. He spoke of an Act involving \$26,000; actually, of course, it involves something in the neighbourhood of \$700,000 this year alone, an amount which is going to continue to increase over the years; so I think it is worth while speaking for some time about.

He made reference to the fact that one way in which teachers might increase their prestige is by an improved retirement plan. I doubt that very much, Mr. Speaker. I think if teachers are going to depend on increasing their prestige by improving their superannuation, then all of us are going to be a very sadly disappointed people. He couldn't help but

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feel that to have 90 years of age and service was an impossible burden to carry – enough to bury it. Well, to have 90 years of age and service simply means that one must have 55 years of age and 35 years of service, and I cannot see that this is particularly burdensome. I do not see that people of 55 are decrepit and unable, in general, to carry on; or that 35 years of service is a particularly long period of work service for a person to give. Regardless of that, our Act does make possible retirement at that particular time. the question which he ought to be trying to answer, Mr. Speaker, is where will he find a retirement plan which makes possible retirement under easier conditions than our present Act? He would search for some considerable length of time.

I am not going to spend much time with regard to what he said, or attempted to say, about the desirability of retroactivity. He mentioned the case of the 91 teachers, and I must refer to them again. These were the group that in 1942 all had their pensions cut; the government of his party, sitting in these benches, Mr. Speaker, applied retroactivity. They applied it by cutting the pensions of teachers as low as \$362 a year. His heart bleeds now because of what we haven't done; he would certainly have died of heart failure had he been present in the House, or active in the welfare of teachers, at that particular time.

I say again that we would, all of us, certainly like magnanimously to increase the pensions of all of these persons, but I say again, too, that this is a problem of such magnitude that we must approach it realistically and reasonably. When I recount again the fact that some of these teachers have already had increases, because of the actions of this Government, which have raised their pensions on the average of \$1,000 a year, I do not think that anybody can really complain about that kind of treatment; and I do not think that anybody can, with any very great realism, argue that we should continue to provide the full benefit of any change in pensions which are being provided for teachers in the future. I suggest that it is unrealistic; I suggest it is unreasonable. He had reference to \$30,000 saved, he said, because we removed certain grants this afternoon. I tried to explain, at the time, this was not a savings. Perhaps, as he intimated, I should have taken longer with that Bill. The \$30,000 was simply transferred from a grant for that purpose to a grant for another purpose. We don't save very much money by doing things in that particular way.

He seemed to object (without saying so – leaving himself safely in a position of objecting, without actually objecting), to the increase in the deduction from five per cent to six per cent. May I point out that this goes into the teacher's annuity; it will accumulate interest at the rate of 4 per cent compounded semi-annually; there are not many investments which would serve the teacher better. It doesn't relieve the Government's responsibility.

He had reference also to some person with a disability pension who was having a difficult time financially. I have no doubt whatsoever but that is true. Persons who pension because of disability do so at any early age; they do so because they are no longer able to teach; they haven't very much service and their pension is, of necessity, not very high naturally. What we have done in the past is to say, regardless of what the

pension would produce for these persons under a formula, we will pay at least \$600, and a great many of them and of their dependants have been raised to that 4600; this provision raises them further, to a minimum of at least \$900. This is no large amount, but I submit that a superannuation plan can only carry compassion to a certain extent, and we have extended the minimum for these people from \$600 to \$900. If there are further needs, then there are other agencies than the teachers' superannuation fund which ought to carry these particular cases.

He suggested again that I had spoken at some length. I did so because I wanted to put some facts before this Legislature. I did so in the hope that we might be able to get some more accurate information. I echo in part what the Provincial Treasurer has said, and something I said in the Legislature in a similar vein the other day – that while it is all right to keep referring to the deficiencies of teacher shortage and certification and superannuation, at some point we begin to hurt ourselves; and let us at least tell all the story. It is true that persons who continually go out and tell only one little bit of the story are doing an injury to the teaching profession and the children of this province. All I am asking is not that there be a restraint of criticism, but that people at least will make an effort and take the opportunity of telling the whole story.

Just a word with regard to the remarks of the hon. member for Redberry (Mr. Korchinski) who has again eluded us, Mr. Speaker. There is not very much of what he said that is worth commenting on; but I do wish to comment on his statement that this is an instrument of forced labour, which is going to keep teachers in the profession until they faint from dire exhaustion or boredom: one or the other. It does encourage teachers to stay in the profession. That is a perfectly logical and, I think, a perfectly necessary incentive at this particular time; but it provides along the way very substantial increases for those persons who feel that the load is too heavy, and who wish to retire prior to what might be considered a normal time.

Mr. Speaker, I want to repeat, before I sit down again, my own conviction, a conviction which comes as the result of an examination of Acts of other provinces in considerable detail, a conviction which comes as the result of comparing what actually happens to teachers superannuating under this plan and what would happen if they superannuated in other provinces. I gave a number of examples of all types of teachers – teachers with different amounts of age and service, and in almost every one of those (and they were not purposely selected), I was able to illustrate that the amount of pension provided by these proposals was greater than it would have been if we had adopted the principle of any other province. I say again, and I am convinced, that this will provide better pensions for more teachers than would be the case if we adopted the plan obtaining in any other Canadian province.

(The motion for second reading was then agreed to, on division, by 37 votes against 4, and the Bill referring to a Committee of the Whole at next sitting.)

The Assembly then adjourned at 10.05 o'clock p.m. without question put.