

*Supplementary Retirement Benefits Act (No. 2)*

sector in line with the private sector. I admit that, and quite frankly I think it was the proper thing to do. Indeed, if we look at the reality in the private sector today, the just released Conference Board study indicates wages and salaries from the senior executive level right down to the clerical level will probably come in in the range of 5 per cent to 6 per cent next year.

My support for the six and five program was based on a firm belief that the Government must constrain the outflow of taxpayers' dollars, and all of my constituents are taxpayers. The restraint of government expenditure is terribly important for a large number of reasons. First of all, there is the federal deficit. All of us in this House, including the New Democratic Party, are terribly concerned by the size of the deficit and we are afraid that it will constrain economic recovery. We must bring it under control over time because we must reduce the present and future burden on Canadian taxpayers. The Government has said this, the opposition parties have said this, and the six and five program, I think, is consistent with the need to reduce the expenditure of taxpayers' dollars.

Second, we must free up funds to help those in greatest need. We have 12.7 per cent unemployed, and youth unemployment is running up to 25 per cent. We are talking about the pension field, but there can be no question that the youth unemployment problem is probably the most critical part of our unemployment problem because who indeed is going to pay the pensions of the future if the youth of our time do not have employment opportunities?

Third, Mr. Speaker, we must reduce the tax burden on firms which are in financial difficulty and close to bankruptcy. Funds for housing must be freed up. So in addition to the need to reduce the deficit, there is a need to free up funds without increasing the deficit so that they can be used in other areas of extremely high priority.

Then we must constrain pressures on the capital markets. If we hold down taxes by simply borrowing money, we will put upward pressure on interest rates. We know what that does to people with mortgages to renew; we know what it does to consumer and investor confidence. If we do not restrain, the economy will simply not get back on the track to economic growth.

Fourth, Mr. Speaker, we must break the inflationary psychology. Certainly that is a terribly important thing and the six and five program has contributed to that goal.

Finally, Mr. Speaker, we have to spread the burden of this recession through our society as broadly as we can. We certainly cannot expect those in one sector or another, whether they be construction workers or woodworkers, unemployed miners in Sudbury or others, to carry the entire burden of the recession while the rest of us continue to increase our demands on the system.

For all those reasons, Mr. Speaker, I think the six and five program is a major step in accomplishing these objectives, and for those reasons I continue to be a strong supporter of the program. However, I think there is a distinction which must be

made. Six and five should not be seen as a program of restraining incomes. It should rather be seen as restraining the expenditure of taxpayer dollars, and there is a fundamental difference between those two notions which is terribly important to the argument I wish to develop.

I think all of us in this House, in the Senate, in the Public Service generally, federal or provincial, have to understand that we are employees of the people. We are paid from the taxpayers' purse. Any time we take increases in salary, justified or unjustified, it is an additional burden on the taxpayer. I am not saying that wage and salary increases in the public sector are not justified. What I am saying is that there has to be a fundamental realization that, when we do ask for more, it means that others in our society—including the taxpayer, which includes public servants—have to have less. When the taxpayer is suffering, it seems to me only fair and equitable to ask that those of us who are employed by the taxpayer have to share some of that burden.

So I have no problem defending or standing up for the six and five program as it applies to wages and salaries. As I indicated earlier, that sharing of restraint is taking place in the private sector, as the Conference Board study clearly indicates.

Now, Mr. Speaker, a second aspect of the six and five program is as it applies to transfer programs, direct transfers of taxpayers' dollars to members of our society where no contribution whatsoever is involved. I include in that category, for example, Old Age Security and the Family Allowances. These are pure transfer programs from the taxpayers' purse; they are not contributory programs.

• (1700)

I support and will vote and have voted in favour of restraint to six and five on these transfer programs where no contributions were made, but I make an exception, and indeed the Government made an exception. That exception is that we have to make sure that we maintain the incomes of those who are in greatest need. That is precisely why the Child Tax Credit and the Guaranteed Income Supplement were not touched. They are fully indexed because they are transfers to people in greatest need in our society. The Government said transfers generally, yes; but transfers to those in greatest need, no, the restraint program will not apply to those. A distinction was made with regard to which transfers would be restrained and which would not be restrained.

The final category is one which brings me to Bill C-133, and that is restraint as it is applied to contributory programs. I draw to the attention of Hon. Members that the Canada Pension Plan was not restrained. There are several reasons for that. One is that the people contributed to that Plan and the payments being made out of that Plan now are a return of contributions. Some time in the future we may have to increase the contributions to make sure that the Plan remains viable, but it is a contributory Plan and for that reason, among others, it was not subjected to the six and five program; nor should it have been.

There is another plan and that is superannuation. The difficulty that many of us had with Bill C-133 when it was