

to limit pension increases over the next two years to 6 per cent and 5 per cent, it does not intend to reduce the required contribution to the Pension Plan. So, current contributors will be paying more for less.

Sir, I sincerely hope the Government's six and five program, of which Bill C-133 is a part, will bring down inflation as is intended. On the whole, we on this side of the House support the principles and general objectives of the program. Any type of economic program from this Government is welcome after so long a period of inaction. But Bill C-133 is as immoral as it is self-defeating. It is one thing to impose the Government's six and five restraint program on, say, wages or prices in the public sector; it is an entirely different matter, however, to impose the same program retroactively and unilaterally on pensions to which the beneficiaries themselves contributed along with their employer. The rest of the six and five program, including partial indexing of Public Service wages, Family Allowances and the tax system itself, relates to Government budgetary revenue and expenditure accounts. The Government has therefore both the legal authority and the moral right to make changes in those areas, although I hasten to add that I personally found Bill C-124 repugnant and I went on public record as saying so.

By contrast, the imposition of limits on public employees' pensions is an altogether different matter. Affected is not the Government's fiscal position but, rather, a trust or pension account held by the Government for the benefit of a particular group of citizens. The indexing of Public Service pensions was not a gift by the federal Government to its employees, nor was it to be bartered from time to time in contract negotiations between the Government and the public sector unions. Neither was it to be altered at the whim of either side, depending on the mood or the fashion or the fad of the day. Public Service employees negotiated their pension benefits with their employer, the Government of Canada, with the full understanding by both parties—and I emphasize both parties—that any agreement was inviolable. For their part, the public employees have always viewed their pension agreement as a form of deferred remuneration for services rendered, or, expressed differently, as part of their pay package or compensation.

The public record, including *Hansard* reports of the relevant debate at the time, makes it clear that successive federal Governments have consistently taken the same position. Yet, boxed-in by a budgetary crisis of its own making, the present Government sees the public employees pension fund as an easy way out. It matters not to this Government that it is breaking faith with its employees in the process. The Government has long ago, Mr. Speaker, ceased to care about such principles as trust or due process or even old-fashioned honesty. As a columnist put it in a recent article in *MacLean's* magazine, this Government has been in power so long that it has begun to believe that whatever it does it has a right to do simply because of the fact that it has done it. He went on to say:

Because (the Liberal Party of Canada) does not steal money, does not stash graft away in unnumbered Swiss bank accounts, does not torture and does not openly bribe, it assumes that it is not corrupt. Corrupt in the Liberal mind applies only to money. But the real corruption is in the Liberal mind. The party is morally bankrupt.

Supplementary Retirement Benefits Act (No. 2)

Nowhere is that statement more true, Mr. Speaker, than in the Government's approach to its retired employees. I recommend, Sir, that every Member of this House take the time to read the excellent speech delivered in the House by the Hon. Member for Nepean-Carleton (Mr. Baker) on July 20, 1982, in debate on the Government's Supplementary Borrowing Authority. As he rightly pointed out, even at the height of the Great Depression in the 1930s, the R. B. Bennett government of the day, while reducing salaries of public servants by 10 per cent and withholding all annual increases, viewed as inviolate the existing pension arrangements for retired public employees. One wonders what the current Government considers inviolable, apart from its own divine right to cling to office at any cost to the Canadian public. If the Government will violate the rights and welfare of pensioners, Mr. Speaker, it is capable of violating anything.

The Government is doing much more than just denying a large group of Canadians full receipt of a benefit which they have, in the words of one maritimer, "bought and paid for". The Government is laying the groundwork for real economic hardship for many of these people.

I said a moment ago that the average full pension is only about \$8,100 annually. Of course, and I would be the first to concede this, many recipients receive the basic old age pension as well, and some may have other income. But, given today's skyrocketing inflation, the total that most of them receive from all sources combined is no fortune, I assure you. In fact, by the definition of the Canadian Senate in its celebrated report on the subject of poverty, many retired public employees are certifiably poor. The Senate has stated that a two-person family earning less than \$11,030 in 1980 lived in abject poverty. In my own province of Prince Edward Island there are 662 service annuitants and 234 others receiving survivor benefits. Their average gross employment pension is a mere \$6,028.32 a year, or \$502.36 a month. Like their counterparts in every other province, including the great province of Ontario and specifically the National Capital region, they now face the prospect of seeing their already limited income reduced each year in real dollar terms as inflation takes its cruel toll.

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I realize that public employees, active or retired, are not everybody's favourite group of people. Opinion polls have demonstrated that civil servants are currently out of favour with the public. Highly publicized strikes in certain sectors—notably the post office—have left a bitter taste. It does not matter that most labour disputes in the public sector are settled amicably and without strikes; the image of public employees is at an all-time low. True to form, the Government thinks it can reverse its plummeting fortunes coast to coast by flexing its muscles at the expense of public servants. Dr. Gallup and Mr. Goldfarb have told the Government that those people are unpopular. Consequently, the Government has decided to do battle with them in order to court public favour.