

Adjournment Debate

wanted information, we would have to see the unions, that everything was confidential, and that for the time being it was impossible to judge whether or not there was a good case for settling a problem that has been with us for a long time, that is, four or five very controversial points, including the indexing of pensions.

A few minutes ago, when I was listening to the other speech, at the same time—in the House it becomes second nature—I was reading over a speech I made on December 7, 1982 on the same subject, namely, Bill C-133, which I feel destroyed the indexing of Public Service pensions forever by setting the maximum allowable indexing at 6.5 per cent for one year and 5.5 per cent the following year.

Mr. Speaker, at the time I objected strenuously to this measure, but the fact is that the measure was adopted and I think this injustice should be dealt with very shortly. We were led to believe that an agreement had been reached, that public servants, through their union, had agreed to a remedy and had ratified an agreement they were to submit to management and which would subsequently be ratified by the public servants themselves.

Mr. Speaker, on May 10, after a series of misunderstandings and comments on both sides, both in the press and by spokesmen, by people who we assumed were knowledgeable, we had a rather serious problem, namely, that the unions were saying that what the Minister had read and their interpretation were not the same thing. With respect to pensions, the Minister had said: Unlimited indexing is finished. We are not going to talk about it anymore. We are now going to have an adjustment formula, which I will explain later on, and that is it. He also said: The right to strike was let go in favour of an agreement on other items that were more likely to meet with the general approval of union members. In other words, the right to strike was dropped. The union presidents denied they had dropped the right to strike. They also denied they had agreed to a non-indexed pension plan. In any case, all this created a wave of protest in the press and the media, and finally, last week on May 10, I asked the Minister: Listen, could you put an end to all these misunderstandings and table the agreements in the House? The President of the Treasury Board agreed to do so, and Hon. Members were able to see that quite obviously, the agreements were not what we expected from this Government, which was a settlement that would deal, after so many years, with a problem of major concern to us, and I am referring to pension indexing.

Mr. Speaker, in the few minutes I have left, I would like to comment on this very important subject of pensions. In the memorandum of agreement signed, as far as I know, by Mr. Donegani for the Professional Institute and by Mr. D. Bean for the Public Service Alliance, it says very clearly:

Premium rates will be set at a level commensurate with the cost of current benefits under the base plan and with the ability to provide full protection against inflation if the economic assumptions on which these rates are based are realized.

Mr. Speaker, that means that the committee will be chaired by an individual allegedly independent of the minister, but who will be nonetheless responsible to him, and who will try to anticipate economic assumptions on inflation interest rates. The system will be based on those factors. How will they manage when, for years, we have been unable to do so with the assistance of so-called professional actuaries, I do not know.

Anyway, here is clause 4 of the agreement:

It is agreed that the present commitment to unlimited indexation will be repealed.

It is clear. For my part, it is the crux of this issue. The unlimited indexation is being repealed.

No. 6. The real level of protection against inflation provided to present and future pensioners will be based on the revenues of the pension fund and determined by the president of the Treasury Board on the recommendations of the management committee.

Whom will the advisory committee advise? The President of the Treasury Board, who will have the final word. This means, Mr. Speaker, that instead of saying: Listen, this thing has been going on for years, it is difficult to explain it, is quite complex and we will start over, both plans are put together. The indexation plan and the pension plan will be placed in a common fund which will be used to purchase long-term bonds bearing current interest and it will be jointly managed not only by the present public servants but also by the 30,000 pensioners who will have their say in the administration of their pension plan.

Mr. Speaker, I would like to end my brief comments this evening by stating that I feel that pension indexation should be maintained. We should be able to negotiate. The minister told us: yes, the door is open, come and see me. However, it is the minister who should act and invite the retired public servants to call at his office to negotiate an agreement which I hope will be approved by all and will put an end to a debate which has been going on for 17 years. It would also end the injustice of constantly questioning the future of our pensioners, their means of living, which they have dearly earned.

● (1825)

[English]

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I appreciate the opportunity to respond to my Hon. colleague's remarks. I well remember his embarrassment during the six and five debate when he was completely abandoned by the Liberal Party and had to face his constituents. It was very embarrassing for the Member and I appreciate his efforts to try to regain lost ground.

Last Friday, the President of the Treasury Board (Mr. de Cotret) indicated a willingness to meet with the union representatives and discuss, further, pension plan reforms and the shape of a new dental plan. I am sure the Hon. Member appreciates that this is one more indication of our willingness as a Government to sit down and consult. I am sure the Hon.