

of the restraint period. In other words, taxes paid by businessmen, by all the people I just mentioned, by employees of the Town of Gatineau and of all the municipalities in my riding, taxes paid by the employees of each company, all this tax revenue has helped to pay for the pensions of public servants and the indexing of those pensions.

Mr. Speaker, do not public servants also pay taxes? Of course they do. If they pay taxes, then they have also paid for their indexation. Of course they have. A public servant contributes two amounts, namely, 6.5 per cent for his basic pension and 1 per cent to provide for indexing. The total amount is matched by the government. There are two separate accounts in the name of the public servant. Both accounts bear interest, and public servants are arguing that it is their money. Retired public servants are saying that sufficient funds are being generated by both accounts, but there we have a legal snag. According to law, interest or income from the basic pension fund may not be transferred to the special indexing fund. That is why public servants are accusing the Government of "playing around" with their money. However, without wishing to contradict this statement, since it is their money, the fact remains that by law, no transfers may be made. If we want to proceed with a transfer, we will either have to change the law or, as one of my colleagues suggested, increase individual contributions according to specific recommendations, to prevent the same problem from occurring again.

The other argument, Mr. Speaker, is that the Government had a contractual agreement to pay this indexation, and indeed, I find this very unfortunate, since our retired public servants had already calculated how much they would get and made plans accordingly. As I said before, hard times demand unpleasant decisions, which are not popular but are necessary in the circumstances.

The Acting Speaker (Mr. Corbin): Order, please. I apologize for interrupting the Hon. Member, but his allotted time has expired.

[English]

Mr. Parker: Mr. Speaker, I wonder if the Hon. Member will allow me a question. He touched on the 1 per cent of salary paid for indexing by public servants and claims that it is the taxpayers who back that. Does he recognize the fact that taxpayers also back Canada Savings Bonds? When a commitment is made and people buy a bond, they expect a return. When the pensioner paid 1 per cent for indexing—not partial indexing—he also expects a return.

What is the Hon. Member's rationale for his statements? How can he say, on the one hand, that pensioners should not get that indexing when they have paid for it, but on the other hand that the buyer of the bond should? Would he say it is fair that the Government should take it away from the buyer of the Canada Savings Bond?

Supplementary Retirement Benefits Act (No. 2)

[Translation]

Mr. Cousineau: Mr. Speaker, perhaps I could provide some further clarification. I did say that perhaps there was a way to resolve this problem, either by changing the law, so that income or interest is drawn from the basic pension fund, which is one solution, or by increasing individual contributions, and in that case, the B.C. federal contribution would be increased accordingly.

[English]

Mr. Parker: Mr. Speaker, an agreement was made to pay 1 per cent in order to get something in return. Now, without any discussion whatsoever, the Government is going to cut that in half. I know the Hon. Member is trying to say that this is taxpayers' money, but the people who signed this agreement are also taxpayers. If changes are to be made, I am sure the Hon. Member does not think they should be made without consultation or without agreement on both sides. I should like to hear his view on that.

• (1250)

Mr. Cousineau: Mr. Speaker, I deplore the situation just as much as the Hon. Member, but hard times require decisions. We took a decision—the whole package, Bills C-124, C-131, C-132 and C-133. We cannot isolate any of them; that is the reason. I do not like this Bill any more than the Hon. Member does, but the fact remains that when it is a necessity we do what we have to do. This is the way I see it. It is as simple as that.

Mr. Riis: Mr. Speaker, I have a short question which I should like to put to the Hon. Member for Gatineau (Mr. Cousineau). Having listened to the Hon. Member's comments and his support of the six and five program as it relates to retired public servants, he would presumably also support the idea of having retired personnel, let us say, of the Bank of Canada under the six and five program. Is this something which he would support?

Mr. Cousineau: Mr. Speaker, since this is not a matter under discussion, I do not think I should answer it.

Mr. Riis: Mr. Speaker, perhaps I will try putting a different question to the Hon. Member. If someone such as Governor Bouey, who is obviously a strong advocate of restraint and a strong supporter of the six and five program, limited the employees under his jurisdiction, does the Hon. Member not think that would be fair? In other words, retired personnel of the Bank of Canada would be limited to the six and five program, or should they be receiving 11.5 per cent on their pensions?

Mr. Cousineau: Mr. Speaker, I do not think I mentioned the Bank of Canada in my speech. I think we are discussing Bills C-124, C-131, C-132 and C-133—

Mr. Fulton: We are discussing equity.