do want to support, but I certainly cannot support it in the way it is shown, by implementation of Bills C-131, C-132 and C-133. For example, if the Government had held its spending this year down to 6 per cent rather than increasing it by 22 per cent, I would have supported that. If the Government promises to keep its spending increases down to 5 per cent next year, I will support that. That would show some leadership, if the Government would do it. Maybe the Government would like to keep down the growth of our national debt to six and five per cent in the next two years, but I do not think there is any way it will do it, not the way it throws money around. After all, it sends civil servants to Paris for $200,000 a year. The Prime Minister takes a holiday across the country with his children at our expense, the taxpayers' expense.

An Hon. Member: You're cheap. Come on!

Mr. Dick: That may be cheap. I wish he would go and have all the holidays he wants, young man, but not at my expense. He is a millionaire. Let him pay his own way, but do not make the taxpayers of this country pay for it. That is being cheap. The Prime Minister is a cheap man, and that is being cheap.

So I ask the Government to show some leadership by cutting its spending increases so they would only go up by 6 per cent and 5 per cent rather than calling upon the old age pensioners, the civil servants to whom they promised a different deal, and the mothers and children of this country with respect to the baby bonus. Only then will the Government be showing some leadership.

Having said that, Mr. Speaker, I can only say I will not support this Bill. I would be surprised if anyone with any sense of decency could support a Government breaking a contract, when the Government itself fails to show any leadership.

Mr. Tom McMillan (Hillsborough): Mr. Speaker, since becoming a Member of Parliament some three and a half years ago, I cannot recall any labour-related Bill that is more odious than the one now before the House of Commons for debate. Bill C-133, an Act to amend the Supplementary Retirement Benefits Act, is not only misguided, it is immoral in every sense of the word. Seldom have we seen, even from this Government, such a blatant assault upon long established principles of fair play in management/labour relations. In this case, the Government is proposing to change unilaterally and retroactively pension arrangements for its employees, which it agreed to almost a decade ago and on which, since then, thousands of Canadians have planned their retirement. In one fell swoop, Mr. Speaker, those arrangements are to be changed in a way which will jeopardize the annual income of a sizeable proportion of individual Canadian pensioners, while effectively robbing a fund held in trust for them collectively.

In a nutshell, Bill C-133 seeks to undermine the indexing of the pensions of public employees, which are currently fully tied to the cost of living, by limiting increases to 6 per cent throughout 1983 and to 5 per cent in 1984, regardless of the inflation rate in those two years. Modifications to the legislation announced by the President of the Treasury Board (Mr. Gray) yesterday may well change the relevant percentages to 6.5 per cent and 5.5 per cent respectively, but the adverse impact on pensioners remains largely the same. Retired civil servants, Armed Forces personnel, the RCMP and their survivors, among others, would be affected. The immediate impact, Mr. Speaker, would be to slash the real purchasing power of their pensions, thereby decreasing the standard of living of people who in many cases already live perilously close to the poverty line.

Other Hon. Members participating in this debate have detailed how the federal Public Service pension system works by demonstrating the injustice of the substantial changes contemplated by Bill C-133. Suffice it to say, for my part, the pensions are paid out of what could be described as a fund, which in effect is two funds. The main fund is the Public Service superannuation account. The second is the supplementary retirement benefits account. Each is covered by an Act of Parliament and attendant regulations and is backed by the resources of Canada itself. Every public employee contributes 6.5 per cent of his or her wages to the first account from which the basic pension is paid upon retirement. The individual also contributes 1 per cent of salary to the second fund which is set up to protect the purchasing power of the pension. That is a total of 7.5 per cent of salary thus contributed for a fully indexed pension. Since 1973, benefits in a given year have been hitched to the annual consumer price index of the previous year. Last year, for example, consumer prices rose 12.5 per cent. Therefore, pension benefits for 1982, the following year, increased correspondingly. By the same token, with inflation running at about 10.8 per cent in 1982, benefits for 1983 would ordinarily be hiked by that percentage. Bill C-133, however, proposes to limit any increase to 6 per cent.

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The truth is that neither account is technically a fund in the sense that money is kept intact in a bank account, accumulating interest on a compound basis. But the money is, nonetheless, accounted for like a fund. Certainly, if all the money not paid out in pensions were kept in a bona fide fund to gather interest, instead of being used by the Government for its purposes, the two accounts taken together would generate enough income to pay for the full indexing of Public Service pensions. Indeed, the main account, notwithstanding the remarks of the President of the Treasury Board yesterday in his speech, now stands at something like $15 billion, equivalent to over $1.5 billion in interest annually. This is far more than enough to offset the $300 million by which the other account falls short each year in meeting the cost of indexing.

Last month, November, for example, the average annual pension paid to some 90,000 former contributors was about $8,100 annually. In addition, 32,500 individuals were paid an average of $3,200 in survivor benefits. The average annual pension paid as of November, 1982, was thus $6,900 per person, for a total annual cost of $746 million, or in that ballpark. In that context, then, pensioners have paid for and are continuing to pay for benefits which Bill C-133 now proposes to withdraw in part. While the Government proposes