

Supplementary Retirement Benefits Act (No. 2)

land. I think this makes our point for us. If this were a Government program designed to fight inflation and to get the economy going again, we would not have stickers, posters, pamphlets, fancy books, or the song that Senator Keith Davey and others in the Liberal machine are pushing down the throats of Canadians. If this were a Government program for job creation, there would not be all this hoopla and election gimmickry at the present time. The Government would be taking the issue seriously and talking seriously rather than pushing its little jingle.

There is a story about a certain Roman emperor who fiddled while Rome burned. Now we have a Liberal Government which writes songs and plays pianos while Canadians are burning from their lack of economic planning. We need serious planning and a Government program which fights inflation and creates jobs, but we have another public relations gimmick by a Government, as the Hon. Minister of Energy, Mines and Resources (Mr. Chrétien) said, which really does not deserve to be around any more. We need real programs. We need more than just the token support of the Conservative Party. We need the Conservative Party to rise in the House and fight this Bill. We do not need a 15-minute walk-out by the Tories; we need them to fight this Bill to the same degree they fought for their friends, the oil companies. That is what Canadians need.

• (1520)

Mr. Peter Lang (Parliamentary Secretary to President of Treasury Board): Mr. Speaker, the amendment to Bill C-133 which is before us today is a sunset amendment. I want to address this point very briefly because the amendment is essentially unnecessary since the Bill itself is self-limiting. It will apply, in 1983 and 1984, a 6 per cent and 5 per cent restraint measure to the indexing of Public Service pensions. However, in the Bill's present form, we will revert to indexing in 1985 according to the full Consumer Price Index. Therefore, the amendment put forward by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) is considered by the Government to be redundant and unnecessary since it will not improve the present legislation in any way.

I would like to respond to a few of the remarks made by Hon. Members opposite with regard to the impression they may have left with people that there was a negotiated contract between the Government and the Public Service sector unions. This simply is not the case; there was no negotiated contract between the Government and the Public Service sector unions.

Mr. Murphy: Did the Government give its word?

Mr. Lang: I challenge those Hon. Members opposite who have referred to this contract—some of them stating that there was a written contract—to table the contract.

I would like to refer to the argument made by some Hon. Members that this Bill represents confiscation. Those Members are alleging that the Government is capping funds that have been contributed by public servants to the indexation account. The Government has indicated with its amendment that it will not cap the contributions made by public servants

and matched by the employer to 6 per cent and 5 per cent. The Government has recognized the contributory nature of the indexation program with this amendment and I urge Hon. Members opposite to support the amendment.

As you are aware, Mr. Speaker, in supporting that amendment they will be negating an amendment moved by the Hon. Member for Nepean-Carleton (Mr. Baker). His amendment is very puzzling in view of the Official Opposition's supposed—

Mr. Deputy Speaker: Order. I call to the attention of the Hon. Parliamentary Secretary that the amendment being debated is in the name of the Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Lang: Mr. Speaker, I just found it difficult to understand the Hon. Member's position on this Bill. In general, I find it difficult to understand the Opposition's position on the Bill as well as their position on the amendment of the Hon. Member for Ottawa-Vanier, because all I have heard from the Opposition is the importance of restraint and bringing down the deficit, their support for controlling inflation, and their support for Reaganomics.

While they support restraint in general terms, they do not like to see restraint when the Government decides to exercise it in a particular area. We then see the fiddles come out. They support restraint as long as they can keep it general and do not have to put their money where their mouth is or support an unpopular restraint measure. The Government is not afraid to proceed with legislation that may not be popular to everyone when it is in the best national interest.

The legislation does two basic things. First, it is an important and integral part of the six and five program to reduce inflation. Even the official critic for the Opposition was quoted last weekend in the media as saying yes, the six and five program has contributed to reducing inflation in Canada.

Mr. Baker (Nepean-Carleton): No, he did not.

Mr. Lang: Yes. How has it done this? This has been accomplished in two ways: by restraint and by reducing inflationary expectations. We are in an inflationary recession. Clearly, inflation is not being caused by an increase in total aggregate demand, as some Milton Friedman disciples might try to argue, because total aggregate demand is clearly down in a recession. Therefore, we know that the inflation forces that are acting at this point are cost-push inflation forces and inflationary expectations. The six and five program deals with both of these aspects of inflation, cost-push and inflationary expectations. The program is working. In the last month, the month-to-month change between November and December saw zero inflation.

The second result of this legislation is the saving of money which the Government can put toward job creation. Therefore, the two basic results of this program are a reduction in inflation and a savings being put toward job creation. This is the kind of legislation that I believe most Canadians have asked for and support, as indicated by the polls.