

Speaker, that these measures will have any impact whatsoever on inflation. In fact, it is well known that the rise in wages in this country was following the rise in inflation. In other words, wages were rising at a rate slower than inflation. So it is very difficult in those circumstances to argue that the rise in income is the cause of inflation. I would say we can question the notion that we should be putting the greatest priority in the fight against inflation.

Over the Christmas break the Catholic Bishops issued a statement which indicated that in their opinion the priority should be on jobs and human dignity, on the avoidance of human suffering, rather than the single-minded fight against inflation. The Government promises that if we put the priority on fighting inflation, it will come down, interest rates will come down and suddenly jobs will appear. Well, interest rates are much lower now than they were a number of months ago, certainly there is less inflation, but unemployment continues to rise. So the results of the Government's policy are just contrary to the promise.

To go back to what the Bishops said, Mr. Speaker, it was simply that the Government's policy was morally wrong. I know the Prime Minister (Mr. Trudeau), when he was overseas, said that the Bishops' economics were bad. Well, I have more faith in the Bishops' economics than in the morality of the policy the Government has put forward. I want to indicate that it is not only the Bishops or myself who are questioning the rightness, both economically or morally, of the six and five program. In fact, even the Government's own blue chip advisory committee questioned that as the priority for today.

I want to read from the *Winnipeg Free Press*, an article written by Dian Cohen, hardly a raving socialist. She says our problems today relate to the fact that consumer spending is down and somehow we have to get it up so that the plants and factories can get back into production and people can go back to work. She says:

The research economists looked at the relationship between personal consumer spending and employee compensation from 1965 to 1978 in 45 different countries, 19 of them industrialized. They found that, in every case, with very little variation, annual consumption ranged just slightly more or less than annual compensation.

What she is saying is that if we want to have greater consumer spending, workers have to have greater annual compensation. In other words, if you cut down on people's wages, you will cut down on consumer spending and aggravate present economic circumstances. That is exactly what this policy does; it cuts down on income, reduces spending and drives us further and deeper into the economic mess we are in today. So I think the Government should reflect on its policies, not only because of what the Bishops have said but because it is morally wrong to leave two million people unemployed. That amount of suffering is unacceptable.

I want to quote just briefly from an article in *The Globe and Mail*. It says:

—a pick-up of personal spending, was less evident because of the country's high jobless level and uncertainties.

### *Supplementary Retirement Benefits Act (No. 2)*

They are saying that if we want to get this economy moving, we have to get consumer spending moving, and to do that we have to have people at work. We have to stop robbing people of their incomes, and that includes members of the Public Service and those on pension. It is not good enough to attack public servants, the helpless and the powerless. We have to examine this Government's policies, which have been found lacking both by economists and moral leaders in this country, and we have to set a priority on job creation. We have to set about developing income policies which are going to give people greater compensation and therefore get consumer spending back up, get the economy moving, get back to work and have a little respect for the human person, rather than leaving them out on the street with no job and suffering. That is not adequate public policy; we have to turn it around and show some compassion.

**Mr. Doug Lewis (Simcoe North):** Mr. Speaker, it gives me a great deal of pleasure to enter into the debate today to discuss the amendment by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) who has come forward in response to the great public outcry which has arisen as a result of the Liberal Government's attempt to reduce the earned inflation-indexed pensions that public civil servants are entitled to. I would point out with some pride that the Hon. Member for Nepean-Carleton (Mr. Baker), my colleague, who has spoken out so often in this House on behalf of civil servants, has seconded this very astute motion by the Hon. Member for Ottawa-Vanier. I say "astute" because the Hon. Member for Ottawa-Vanier spotted something we knew was there, but in the great wealth of debating material there is on this Bill we could not cover it all. The Hon. Member very astutely pointed out that there is a definite risk that the Liberal Government will carry on with its fight to—

**Mr. Baker (Nepean-Carleton):** Its chiseling.

**Mr. Lewis:** Chiseling is a good word, Mr. Speaker, its chiseling of public civil servants beyond December 31, 1984. Now, you might think that there should be an election by then. I know most of the Canadian people do, Mr. Speaker, and I see you nodding, but there is a very real fear on this side that the Liberals will go to February 22, 1985, in their desperate grasp for power and in an effort to appoint as many Michael Pitfields of the world to the Senate as possible. Yes, there are many honourable people who should carry their talents to that honoured Chamber down the hall. A lot of them will be legitimate appointments, not like that of Mr. Pitfield. A lot will be legitimate politicians who have honourably gone out and proclaimed themselves as Party politicians on either side, rather than sneaking in the back door of the Privy Council and pretending they were not Liberal politicians.

● (1740)

I see many Members on the Government benches smiling at this, Mr. Speaker. I should point out that it has been suggested to me that Mr. Pitfield had to agree not to attend Liberal caucus meetings so that he could be appointed an independent