

*Supplementary Retirement Benefits Act (No. 2)*

I think the Minister put it very well when he said that he prefers to regard pensions as a long-term and flexible arrangement involving the employer and generations of employees, where changes can be made to reflect varying economic circumstances. This was the case in the early seventies when the Government adopted a policy of full indexing of Public Service pensions and applied that policy retroactively to persons who had paid little or no extra contributions.

The proposed modification of Bill C-133, as has been indicated, does recognize the contributory nature of the Public Service pension programs and specifically the indexing portion. The modification is designed to take into account the 90 per cent and 10 per cent ratio I previously referred to with respect to indexing payments charged against Government expenditures, and payments charged against pensioner credits in the indexing account. With this in mind, it is proposed that the indexing of Public Service pensions be increased to 6.5 per cent in 1983 and 5.5 per cent in 1984 from the cap of 6 per cent and 5 per cent currently set out in the Bill. In other words, moneys that have already been set aside by or on behalf of pensioners for indexing will not be confiscated but will instead be used, in effect, to increase the average pension increase that all Public Service pensioners will receive over the next two years.

In summary, then, I find that the argument that Bill C-133 amounts to a confiscation of moneys already set aside for Public Service pension indexing is not supportable. As I indicated earlier, with the current trend in inflation I should like to suggest that, even though pensioners would have incurred a loss for the year ended last September, in effect they could be winners in the year ahead.

**Hon. Allan B. McKinnon (Victoria):** Mr. Speaker, I should first of all like to deal with that ridiculous final sentence in the speech of the Hon. Member for Lambton-Middlesex (Mr. Ferguson). Of course pensioners could gain, but only if the inflation rate this year is 1.5 per cent or less. The likelihood of the inflation rate in 1983 being 1.5 per cent or less is about the same likelihood as the Liberals being returned to office if they called an election. It is zero; there is no hope whatsoever. The Hon. Member should be ashamed of himself for making a statement like that.

I might mention to those who are paying attention to the debate that we are once more operating under closure. The Liberals have found it necessary to salve their consciences by trying to move the debate out of the House to a place where people will not hear about it. For that reason they have brought in closure.

I am astonished that the Minister of National Health and Welfare (Miss Bégin), who feigns a sincere interest in the welfare of pensioners, has taken no stand against this arbitrary legislation. If this Bill and its companion, Bill C-131, are passed, we will find that next year more and more old age pensioners and senior citizens retired from the Public Service will be living below the poverty level, because their pensions this year will not keep up with the cost of living. That is what this Bill and Bill C-131 will do to the old age pensioners. They ensure that their pensions will not keep up with the cost of living and, therefore, their standard of living will go down.

The fact that the Minister of National Health and Welfare, who feigns interest, has done nothing about this is shocking.

I do not know whether I should bother mentioning the NDP. I read in this morning's newspaper that 5 per cent of the people of Canada believe the NDP will form the next Government. They continue to make these silly remarks about bell ringing. They forget that they form a very small rump, a Party in one corner of this House. Major decisions are not made by little rumps in the corners of Houses, except on those very rare occasions when the people of Canada, probably with some other aim in mind, elect them as the controlling Party, in the case of a minority Government, between the major Parties. That has happened twice in my experience in this House. In 1972-74 they supported the Liberals. There used to be a daily caucus between David Lewis, the then Leader of the NDP, and the Deputy Prime Minister (Mr. MacEachen) of today. When the Liberals found themselves far enough ahead in the poll, they pulled the rug out from under the NDP without even a "thank you" for 18 months of support. In the next election the number of NDP Members in the House was reduced by about 65 per cent.

In 1979 the NDP again held the balance of power and wanted to show everyone how powerful they were so they voted the Liberals in and the Conservatives out. To that degree they are responsible for the situation we find ourselves in now. They are responsible for things like Bill C-131 and Bill C-133 because they put in the kind of Government that produces such outrageous legislation. Yet they pretend to be unhappy about these Bills, and they keep fussing about Bill C-124. We voted for that Bill, which reduced MPs' pensions. The NDP was opposed to that Bill which also cut our pay by 5 per cent. They spoke out against that Bill months after it was passed and they are still speaking against it, hoping it will be changed and the 5 per cent pay cut reinstated. Five per cent is an exact balance with their standing in the Gallup poll.

Bill C-124 dealt with people in the workforce who have some control over their lives, sometimes through the strength of their unions. The unions are strong. Anyone who has ever tangled with the postal union will realize that. The people affected by Bill C-124 have a bargaining position and that is the big difference between that legislation and Bills C-131 and C-133. These people affected by these Bills C-131 and C-133 have no bargaining position at all. Old age pensioners and senior citizens cannot withhold their services, nor can they enter into contract negotiations. There is a tremendous difference in the cases, although it is not obvious to the little rump on my left.

There is one place where the NDP shines, Mr. Speaker. Members of that Party make more noise per pound than Members of any other Party in the House. When this place is turned into a shambles, nine times out of ten it is because of that little group.

I should like to speak about the amount of money in the pension fund which the Hon. Member opposite mentioned. I