

Supplementary Retirement Benefits Act (No. 2)

We then come to the comments by the Hon. Member for Nepean-Carleton (Mr. Baker) and his amendment to have 6 per cent apply in 1983 but not 1984. Somehow the Conservative Opposition, represented by the Official critic, in that amendment finds that it can accept the principle of six and five for one year but not for two.

Mr. Baker (Nepean-Carleton): Mr. Speaker, I do not mind the Hon. Member using my name if it is in order, but I think it is inappropriate to comment on a vote in this House.

Mr. Lang: Mr. Speaker, I am not commenting on the vote in this House. I am commenting on the Hon. Member's amendment to limit indexation to 6 per cent in 1983 but not in 1984. If it is okay to cap the pension in 1983, why is it not okay to cap it in 1984? You cannot have it both ways, Mr. Speaker.

● (1720)

I would like to ask Hon. Members from the Opposition who have endorsed some Hon. Members from the Ottawa area on this side, who, in good conscience, are voting against this legislation, to recognize and respect the right of other Hon. Members from the Ottawa area who have the personal and political courage to vote in support of the legislation. The people of Canada are looking for politicians who have integrity and courage. I would really encourage Hon. Members opposite to recognize that kind of personal and political courage from those people who, in good conscience, are voting in support of this Bill, and who believe in putting the national interest first.

Mr. Deputy Speaker: At this stage, the Hon. Member is rising to put questions to the Hon. Member who has spoken. The Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Riis: Mr. Speaker, actually I have only two very short questions for the Hon. Member, if he will permit. One question is about his reference to the necessity of Canadians to share in this fight against inflation, with the implication that people should be volunteering to restrict their pension increases to 6 per cent this year and 5 per cent next year.

In light of that fairness and sharing concept, which in principle, of course, one has to support, could the Hon. Member attempt to explain how the man who advises the Government on fiscal policy, Governor Bouey of the Bank of Canada, would not go along with this sharing concept and ask his retired employees to share in the six and five program, as opposed to giving them an increase this year of 11.5 per cent, which is more than the rate of inflation? Could he explain that, please?

Mr. Lang: Mr. Speaker, I would like to point out to the Hon. Member that less than 1 per cent of pensioners in the private sector have fully indexed pensions. Therefore, the Government has no necessity to ask private sector pensioners to volunteer for six and five. They are not receiving six and five. I believe that is part of the equity here. We are asking Public Service pensioners to share in the burden in the same way private sector pensioners are already. They do not have a chance to volunteer.

With respect to Governor Bouey and the Bank of Canada, the fact is that the Bank of Canada is not covered under the Public Service Superannuation Act. Bill C-133 amends the Public Service Superannuation Act. That is one point. It is not possible, therefore, to do that through this legislation.

Second, the setup of pensions in the Bank of Canada is such that it is fully contributory, not only for the basic pension plan, as it is for Public Servants in general, but also for the indexation part of the plan. So taxpayers' funds are not being used in any way to index the pensioners of the Bank of Canada, as opposed to the pensioners covered under this Act where 90 per cent of the funds to pay for that indexation are coming from the taxpayers.

Mr. Riis: Mr. Speaker, I accept the Hon. Member's very diligent response. I must say, though, Governor Bouey's call for restraint at six and five has a relatively hollow ring after today, when he deals with his employees one way and asks others to deal with their employees in quite a different way. I notice the banks as well have been very vocal in encouraging the six and five program. Looking at the annual statement of the Royal Bank of Canada I note they gave their pensioned off employees an increase of 16.5 per cent for this year. Again, while certain leaders are saying one thing, their behaviour is demonstrating quite another. We have now heard from the Chairman of the blue chip committee, Mr. Ian Sinclair, who has advised the Government on the six and five program and has been their spokesman across the country, saying virtually that now is the time to stimulate the economy. I have a newspaper clipping in which he does not refer to millions and millions of dollars, but says, Mr. Speaker, we must stimulate the economy to the tune of billions of dollars.

Mr. Deputy Speaker: I would remind the Hon. Member that a question should be short and to the point.

Mr. Riis: My question to the Hon. Member is this. It would appear now that Ian Sinclair and his blue chip Committee have abandoned this six and five course and are now asking for an incredible amount of stimulus. Would that not weaken the Hon. Member's position on Bill C-133, and perhaps even encourage him to vote against it?

Mr. Lang: No, Mr. Speaker, on the contrary. Mr. Sinclair has been a strong supporter of the six and five program. He also recognizes, as does the Government, that six and five is not the total answer, that there are other economic measures which have to be taken to bring about an economic recovery and to deal with the serious problems of unemployment. That does not say, Mr. Speaker, it is inconsistent with reducing inflationary expectations to modify and moderate income expectations. Clearly the Hon. Member who is the finance critic for the New Democratic Party understands that in an inflationary recession, inflation is not being driven by too much total aggregate demand, but is being driven by cost-push inflation and by inflationary expectations. I do not find it inconsistent to have a program of six and five dealing with