

Supplementary Retirement Benefits Act (No. 2)

per cent of their salaries for their pensions. On top of that they paid an additional 1 per cent to the supplementary retirement benefits account to protect the purchasing power of their pensions by having them indexed to inflation. For the right to a fully-indexed pension, Public Service employees have paid 7.5 per cent of their salaries, one of the highest rates of contributions of any employer-sponsored pension program. The pension contributions of their employers, this Government and its agencies, are not Government handouts; they are part of the employees' over-all benefit package. It is really the deferred income of Public Service employees themselves.

Taken together, there is more than \$15.6 billion in the Public Service superannuation account and the supplementary retirement benefits account. Considering that, it is clear that the combined Public Service pension plan is on a sound financial foundation. Therefore, there can be no basis for arguments which attempt to prove the Government must reduce the indexing on these pensions because the fund cannot cover the cost.

About 200,000 pensioners will be hit by the cutbacks contained in Bill C-133. Capping the indexation of Public Service pensions will rob these pensioners of about \$100 million in the next two years alone. And, of course, like the rest of the six and five program, when indexing is re-introduced, after 1984 it will be on a smaller base pension. The result will be pension cuts for all time.

The average pensioner is not getting rich from the Public Service pension plan. Of course, there are exceptions. I read a few days ago that Mr. Michael Pitfield, well known to all of us, could stand to collect some \$100,000 annually by the time he is eligible for retirement ten years from now. Obviously, capping Public Service pensions matters little to a man of Mr. Pitfield's financial stature. But for the average pensioner, it is quite a different story. The average annual pension for contributors to the Public Service pension plan is not in the six figure range, as Mr. Pitfield's will be. No, it is only \$8,100. And the average survivor benefit paid to widowed spouses is only \$3,200 per year.

Slashing the indexation of Public Service pensions will mean a loss of \$1,400 in pension benefits for contributors to the plan over the next two years alone. It will mean a loss of \$577 to widowed spouses receiving survivor benefits. Surely the Government must realize that the impact of this Bill, and of its whole six and five program will be to drive thousands of Canadians further below the poverty line.

I will be interested to see how many Liberal backbenchers will keep their promise to the Public Service employees they represent and vote against the Bill. How many of them will worm out of their promise with the six and a bit and five and a bit amendment of the President of the Treasury Board?

I will be interested, too, to see how many Tories will show up when it comes time to vote on this piece of legislation. I think the Tories must feel uncomfortable about having to deal with this Bill and the rest of the Government's six and five schemes. The Conservatives have promised public servants that they will oppose Bill C-133; but they have promised the Government, too, that they will deal with the Bill expeditiously. Now, how

can a Party promise on the one hand to fight the Bill, while it is promising, on the other, to give it expeditious passage in the House?

I was rather amused on Monday night when the Hon. Member for Victoria (Mr. McKinnon) talked about the Hon. Member for Hull (Mr. Isabelle) appearing to be like a man trying to ride two bicycles on a high wire at the same time. What was amusing was that my friend from Victoria then jumped on those two bicycles himself. He claimed to be opposed to Bill C-133 because it upset a contract.

What did Bill C-124 do, Mr. Speaker? The Hon. Member for Victoria said that Bill C-124 provided for a small cut in the pay of Members of Parliament. That is true enough. He implied that that was all Bill C-124 was about. He did not say anything else about that Bill. He did not mention that it represented a breach of contract, or, to use his words, "upset the contracts" of some 700,000 civil servants, Armed Services personnel and members of the RCMP. I call that selective criticism, or a pretty good high wire act.

It is also worth noting that the Tories have moved an amendment for a six months' hoist on Bill C-133. In August, when Members of this Party moved a similar amendment on Bill C-124, the Tories—to a person—voted against it. It is very difficult to follow the convolutions of Tory logic, Mr. Speaker.

The Tories supported the introduction of the six and five program in August. Their Leader says they support the spirit of six and five. But now when public attention is focused on the impact of six and five on Old Age Security, Family Allowance and Public Service pensions, the Tories have discovered, by some magic no doubt, that there are poor people who are going to be hurt by the Government's restraint program.

• (1540)

What did they expect? They knew very well when we were voting on wage controls for the Public Service and armed forces personnel in August that the six and five program would attack the living standard of pensioners and the poor. It was there in the June budget for all to see. As the Hon. Member for Churchill (Mr. Murphy) said on Monday night, the Tories are working both sides of the street. To atone for their sin of voting for Bill C-124, they are now opposing the legislation to implement the six and five for which they voted.

The Tories support the thrust of the six and five program. By their own admission, the only problem they find with it is that it does not go far enough. Through the six and five program the Government is taking away from those Canadians who are the poorest and giving to the wealthiest. This they do in the name of creating a positive investment climate.

In November 1981 the Government closed a number of loopholes for the rich. To compensate, it reduced the marginal tax rate for the richest Canadians by something in the order of 10 per cent. Then, under a barrage of criticism from the Tories and lobbies for big business and the banks, the Government began to backtrack. Now most of the loopholes have been