

indexation limit to 5 per cent in 1983, regardless of what happens to inflation in the meantime or what price increases will be likely at that time.

Over the next two years, this legislation would rob the average public sector pensioner of \$1,200, and thereby considerably lower the already minimal standard of living which many pensioners are experiencing in their retirement years. As my colleague, the Hon. Member for Churchill (Mr. Murphy), said last night, the average annual pension paid to some 90,000 former contributors is about \$8,100 a year, and there are some 32,500 persons being paid about \$3,200 in survivor benefits, on the average, which brings the over-all average pension being paid out to about \$6,900. This is hardly an extravagant amount in 1982, yet these are the people who are being lectured on sacrifice by the Prime Minister (Mr. Trudeau) and by, for instance, Ian Sinclair, the President of the CPR, who makes \$556,000 a year. Things are not tough all over, Mr. Speaker.

● (2040)

Furthermore, the decreased indexation could create a lower base for all future indexation, and thereby set the structure for continuing losses in the future, when compared to what would be the case if this Bill had never been brought forward.

In addition to the unjust economic consequences of Bill C-133—because there are not just economic consequences of this Bill for public sector pensioners—there is also the moral question, which so many Members have dwelt upon, and quite rightly so, of the breach of trust which is involved in the Government's bringing this Bill forward in the first place.

Pensioners retired with a pension plan that they contributed to on the understanding that they would receive a fully indexed allowance upon retirement, and now they are faced with the Government unilaterally changing the rules, and in effect depriving them of their own income. There is no other way to describe this Bill.

This is a very important issue, this question of the breach of trust. In fact, the breach of trust which Bill C-133 involves is probably even more significant in the long run than the short-term economic consequences of the Bill, however undesirable they may be. The same is true, at the moral level, of Bill C-131, the Bill to reduce indexing of the Old Age Security payments which is a breach of the trust that many other Canadian pensioners had when they planned their retirement years on the basis that whatever private pension they might have, if they were lucky enough to have a private pension, would be rightly complemented by a universal and fully indexed Old Age Security pension.

The effect of Bill C-131 will be a significant erosion of universality in our public pension system, and will mean that our pension system as a whole will become even more of an income-tested system.

Canada's pension system is already excessively reliant on income-tested benefits. More than 50 per cent of the OAS recipients, for instance, are also receiving full or partial GIS benefits, and by substituting special GIS supplements for the OAS increases that are eliminated by Bill C-131, we are

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drawing more of Canada's elderly into the income range where part of their public pension benefits are income tested. This is a retreat from the victory won 31 years ago in 1951, the year I was born, when the means test was removed from the payment of Old Age Security as a result of the work done over the years by my esteemed colleague, the Hon. Member for Winnipeg-North Centre (Mr. Knowles).

**An Hon. Member:** Hear, hear!

**Mr. Blaikie:** We in the NDP, and the CCF before us, believe that it is more desirable to provide public retirement benefits as a matter of right rather than on the basis of an income test. We are concerned that since 1964 OAS benefits have declined from 20 per cent of average wages and salaries to approximately 14 per cent in 1982. This, combined with the reported controversy in the Liberal Party over whether or not universal benefits like the OAS should be maintained makes us very anxious about the future. We will be even more vigilant in our defence of this aspect of our public pension system, as a result.

Bill C-131, an Act to reduce the indexing of Old Age Security pensions and Bill C-133, the Bill we are debating, an Act to reduce the indexing of Public Service pension, are both clearly unacceptable. They constitute an injustice against the pensioners of Canada and a double injustice against retired public servants. We in the NDP will continue speaking against these Bills in all stages, as well as Bill C-132 which reduces indexing for Family Allowances.

We believe that there is an urgent need for pension reform in this country, and we have waited long and not so patiently for it, because it is something we do not want to be patient about. We have waited long, nonetheless, for the Government's position paper on pension reform, and we are still waiting. We believe there is an urgent need for pension reform, for reforms which would guarantee that all Canadians over 65 have incomes over the poverty line; that all middle and low income Canadians have indexed retirement incomes that allow them to maintain their pre-retirement standard of living throughout their retired lives and pension reforms that would guarantee that income-tested benefit would form a smaller rather than a larger part of our pension system.

Bill C-133 and Bill C-131 move away instead of toward those goals, and set dangerous political and conceptual precedents. For this reason I hope that sufficient numbers of Members of Parliament will be moved to vote against these Bills. In this respect I would like to make a few comments on the position being taken by my Progressive Conservative colleagues to my right.

Last night a certain Progressive Conservative Member, and he is in the House tonight, became very upset when my colleague, the Member for Churchill commented on the fact that the Progressive Conservative caucus was playing both sides of the street on the Liberal six and five program. I want to return to this for a minute because I think it is crucial that the Canadian people know where each Party stands on the Liberal approach to our economic problems.