

Supplementary Retirement Benefits Act (No. 2)

is probably in the area of \$150 billion gross. The yearly deficit is something like \$30 billion. That is in spite of all the enormous tax increases since 1980. When you look at those tax increases, they are almost all on the direct taxes which affect the poor far more than the rich.

Take the gas tax and all of the sales taxes that have been imposed as compared to the so-called progressive tax system where the rich are supposed to pay more. In spite of all those tax increases, we are still in the position where the deficit is going up enormously. Revenues are plummeting, yet the costs, the so-called safety nets, are bringing it up. The amount for interest alone just to service that debt is something like 30 per cent of every dollar of revenue coming in.

In past years we would go to Canadians every year and say that the deficit is rising, that it will hurt us. In every election campaign those in this Party at least would say, "Look, friends, the deficit is getting so high that we believe Government has to be cut back". The Liberal Party with all of its strategy would have all of its Members go out and say, "No problems, folks, the amount to service the debt is only 5 per cent". Then it went to 10 per cent, 15 and 20, and now it is over 30 per cent of tax revenues just to service the debt. That does not pay it back. It just services it. That money concentrates into the hands of our fellow Canadians who already have wealth. Therefore, the rich become very rich and the poor very poor. That will turn us into a Third World country. It is not the fault of the citizens, except that they fell for the election platforms. It is the fault of Governments which think they can do things they really cannot do. I see my time has expired, therefore I will resume my seat.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is also my intention to be fairly brief. I do not want to become repetitive. There have been a number of speakers on this amendment. I will be very pleased to support the amendment put forward by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), a gentleman who obviously has the best interests of his constituents at heart.

The amendment before us would put a definite cap on the legislation, Bill C-133, that has been proposed by the Government. Some Members opposite have argued that a cap is contained within the Bill. I am not so sure whether that is true in the strict legal sense, but if this amendment were to carry, the Act would expire on December 31, 1984.

• (1600)

I, like my colleague, have difficulty with the way in which the Government has reneged on its contractual obligations. This Government has developed the habit of ripping up, when it suits it, any contract which is outstanding. We witness this, for instance, with Bill C-48, the Oil and Gas Act, when existing leases which had been entered into in good faith by the lessees were ripped up by way of Bill C-48 by the lessor, who was the Government of Canada. I notice on this occasion the New Democratic Party, because it suits its political purposes, has been critical of the Government for doing just that, but I ask, where were they on other occasions when the Government

did precisely the same thing with contracts of a different nature?

We, on this side, Mr. Speaker, do not at all like the idea of legal contracts being ripped up, reneged on by the Government by virtue of Bills introduced into this House, and we have said so on occasions such as in Bill C-48, when one set of Canadian citizens were involved—on that occasion lessees of oil and gas rights—and we have said so again today and on previous occasions with respect to the pensions of public servants. In my opinion, Mr. Speaker, contracts of this nature should have the sanctity of the law apply to them. They should be allowed to expire if the Government wants to change them. They should not be changed in the middle, so to speak.

There is a difference between promises of a general nature and contractual obligations. When the Liberal Party in the 1980 election promised "Vote for us and we will keep the price of oil and gas low", I suppose you could call them morally responsible for the way they have not kept that promise. But I do not think the majority of Canadian citizens thought it any more than just another Liberal promise, and when the Government broke the promise, of course it mattered, but not in the same way as if it had been a contract negotiated and entered into by two sides.

I believe, rather than using a great amount of parliamentary time just to address this one specific issue, the question of pulling back Public Service pension rights, we should rather be using the time of the House to address the whole question of pensions, Canadian pensions. Any pension scheme, whether it be public or private, should be governed by the principle of actuarial soundness. If we talk to the actuaries today we will find that many pension schemes, especially public schemes, are no longer actuarially sound. If we study the population forecast for Canada, if we address ourselves to the aging population, the number of people over 65 who will be in this country some 20 years from now, and the number of people of working years, we find that we will very shortly come up to a real bind.

There has been some preliminary thought put into this by Government Departments, by Members of this House, members of the Senate and a lot of other people, and we find that there will be some hard decisions to make in the future. We want a system of pensions in Canada which will allow people, once they have retired, to live in a manner to which they have been accustomed during their working lives, to enjoy the benefits of those later years. It then becomes necessary to have a radical change in the amount of national income or personal income which is put into the pension scheme during the lifetime of the people who will eventually become pensioners. I believe the figures are something like three times what we presently put into pension schemes. I would hope that when that is done there will be a system of pensions compensated for inflation.

I do not think the Government's six and five per cent solution is going to work. We have heard that it is very much of a public relations gimmick, and I am inclined toward that way of thinking. If a pension is not indexed, it very rapidly