

that, it has decided that it is appropriate, perhaps even desirable, to fight inflation on the backs of the weak and the poor. This, of course, is the thrust not only of Bill C-133 but of the Government's entire six and five program. This Bill will have the effect of driving retired public servants, if not into poverty as measured by Statistics Canada, then into near poverty, which amounts to basically the same thing for pensioners.

The average annual pension paid from the public servants' superannuation account is a paltry \$6,900. True, some of those people will also qualify for Canada Pension benefits and the old age pension, but even taking all of that together—because we are dealing with averages here—we can be sure that there are some Public Service pensioners who will be receiving less than that \$6,900 average. At least some of them will be living so close to the poverty line that it is unconscionable. The poverty line, Mr. Speaker, for a city like Winnipeg in my home Province is somewhere around \$8,970.

Is there a contract being violated here? Of course, the Government denies this. It says pensions were not a negotiable item between it and its employees for collective bargaining. But what the Government is not telling us is that when it was preparing to enter into collective bargaining with public servants in the mid-1960s, it approached its employees to exclude superannuation from negotiations in exchange for an agreement that there would be no unilateral changes made to the superannuation plan. Well, this smells suspiciously like a unilateral change to that plan.

What does this unilateral reduction in the pensions of public servants say about this Government? It says more than just that the Government does not honour its agreements with its employees; it says that the Government of this country, regardless of all the pretty and fine statements it may make about pensions reform, believes, just like the worst, most backward employers, that pensions are a privilege and not a right.

Of course, the Tories have been attacking the Government for introducing this Bill because they, perhaps wishing to see the Government operate on a sound business practice basis, do not like to see contracts broken. But why did they not speak out against breaking the contracts of thousands of public servants when the Government introduced Public Service wage restraint? They did not speak out, not one bit. In fact, they could not contain themselves as they rushed to support Public Service wage control.

What about unilateral changes to private pension plans? Well, the Superintendent of Insurance in any of the Provinces of this country would normally reject amendments to private pension plans which, similar to the changes advanced in this Bill, had the effect of reducing pension benefits. But the Government, in hopes of saving its political hide, is not interested in the niceties of business practice. What is most important with this whole six and five program is that it appears to be doing something about inflation. So with this Bill it is Public Service pensioners who are expected to take it in the neck.

### *Supplementary Retirement Benefits Act (No. 2)*

If we accept only for a moment that there is validity to the foundation of this Bill—the need to cut Government spending—I think it becomes clear that this is a particularly unjust way of doing that. If a similar move were put forward as a change to tax policy, if taxes were increased in order to reduce deficit financing, it would never be acceptable to increase the taxes of pensioners. The move would be attacked from all quarters, probably even by the Tories, as being grossly unfair, but by rationalizing what amounts to the same thing, by calling this an anti-inflationary measure, the Government hopes to lend some credibility to its plans. Reducing these pensions is the same thing as retroactive wage control.

• (1125)

Government employees agreed to put a portion of their wage package away in a pension plan. They could have decided, instead, to put some of their money in Canada Savings Bonds and perhaps that would have been safer. I do not think many Canadians would support a Government move to dip into money invested by employees in Canada Savings Bonds, even on the grounds of mounting an anti-inflation program.

The effect of this Bill on labour/management relations and on the Government will be devastating. For the last time, I call on the Government to remove this Bill and the rest of the six and five program from its proposals. It is just too hard on the people of Canada.

**Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke):** Mr. Speaker, as I start out to take part in the debate on Bill C-133, I want to say that the main issue in this Bill is one that looks very simple on the surface; but when one gets into the details and the subject matter behind the whole issue, one realizes it is very complex and virtually steeped in potential and real controversy. I did not speak on second reading because I did not wish to prejudice in any way my remarks on third reading of the Bill, or on any negotiations and discussions in the interim.

On July 6, 1982 I delivered a speech in the House on the great need for pension reform generally in Canada. It astounds one to think about all the billions of dollars that are in pension funds in this country today. At book value, at the end of 1980 there was \$52 billion in trustee pension funds. There will be very little feeling of security, Mr. Speaker, in public and private areas of employment in our nation unless we, and other jurisdictions of Government, revamp and reform the diversity and the plethora of private and public pension plans across the country.

The reason Bill C-133 is before Parliament now is simply that we have failed to tackle the job of bringing in reform legislation to place the public sector pension plans beyond the reach of public criticism. This could be done by making some financial rearrangements within the system itself after employer-employee discussions and agreements.

There seems to be a large measure of agreement to unite the Public Service Supplementary Retirement Benefits Fund with the Public Service Superannuation Fund, the Canadian Forces Superannuation Fund and the RCMP Superannuation Fund;