

Supplementary Retirement Benefits Act (No. 2)

here. It has not been successful there, it is misguided, and even if it were a good theory it would still not be a good reason for breaking a contract with our retired civil servants.

Pensions are deferred wages. People have paid for them; they are entitled to get them and get them fully indexed. One of the justifications has been very adequately spelled out by the Prime Minister (Mr. Trudeau) in a letter, which I now quote:

In our society, pensions provide a means of sharing risk so that we can retire in reasonable security and dignity, without fear of the future. Protecting pensions from inflation by indexing them to increases in the cost of living should be an integral part of our pension schemes. Indexing does not give pensioners an increasingly larger claim on our economy's production, that is, more money to buy things they could not earlier afford. Rather, indexing merely enables pensioners to maintain, roughly, their same standard of living.

Even a modest rate of inflation destroys, at a devastating rate, the buying power of people on fixed incomes. Pensioners are out of the workforce and cannot bargain or strike for larger incomes. They are not the cause of inflation; they are its victims. We have an obligation to help protect them.

These are not mere pious words of the Prime Minister. They are in fact the law of the land, and a law which is passed saying that we will simply take it back, take away the money which has been promised to these people, is an immoral law.

The Bishops' statement is another good reason to have another look at this. Here we have spiritual leaders in the country pointing out the very great importance of giving the higher priority to the needs of working people over capital. Let me quote:

The needs of the poor have priority over the wants of the rich. The rights of workers are more important than maximization of profits. The participation of marginalized groups takes precedence over the preservation of a system which excludes them.

That is a very fundamental point and is the kind of analysis which we in my party appreciate very much seeing.

I would like to say something about the hypocrisy of the Conservatives who are supporting us on the principles of Bill C-133, although not on the amendment. They seem to think the amendment is all right. It is rather late for them to be coming into the game and defending retired civil servants, just as it is rather late for them to come into the game on Family Allowances and on the old age pensions. The Tories supported Bill C-124 in the summer. That was the time when the Government could have been stopped. The Bills we have before us now on Family Allowances, old age pensions and retired civil service pensions are simply a logical working out of the programs which were prepared last summer. The Conservatives should not be surprised to see them now, and if they are surprised it is because they were incompetent last summer when the matter was being discussed and did not know what was in front of them.

I oppose the amendment, Mr. Speaker. The only way to improve Bill C-133 is for the Government to withdraw it.

Mr. Girve Fretz (Erie): Mr. Speaker, if ever there was a Bill which symbolized the philosophy of this Government, it is Bill C-133. I believe this Bill will go down in the annals of history as one of the most divisive pieces of short-sighted legislation ever to pass through this House. It represents the obstinate inflexibility of a Government dedicated to the philosophy of

the end justifying the means, the goal being ostensibly reduction in inflation, and the means being the taking away of legitimate pension money from retired public servants. Surely the Government must be aware of the public's distaste for the insensitive way in which this and many other Bills have been shoved down our throats. Perhaps they know that this may be their last chance to dominate public affairs for a good long time and they wish to go out in style and be remembered for their foolhardiness, just as the Kamikaze pilots were in World War II.

Once the Government begins to commit breaches of faith, the public loses confidence in that Government, and believe me, this is happening. Bill C-133 represents the most flagrant breach of trust in recent times. If I were to send in my tax return based on a 10 per cent tax rate, there would be agents of the law at my door demanding the extra money. If a constituent of mine were to receive unemployment cheques to which he was not entitled, the Unemployment Insurance Commission would be on his back soon enough.

Why, then, would the Government turn the tables and hold back money which rightfully belongs to these retired people who contributed to a plan in full expectation that they would receive these funds? There is such a thing as making plans based on future income. These people are going to be more than disappointed; they may be wiped out financially.

The Minister defends himself here by making an amendment changing the indexation to 6.5 per cent in the first year and 5.5 per cent in the second year. He feels that the extra .5 per cent covers the cost of the contributions made by the public servants. This may be so, but even this amendment cannot camouflage the terrible wrong which is being done here. This Government has gone back on its word and is trying to patch an ugly wound with a band-aid.

What is the purpose of attempting to pass this Bill through Parliament? Is it to enhance the image of the Liberal Party and the present Government? It certainly is not doing that. Is it to cure inflation? Inflation is beginning to cure itself. It is happening without the capping of pensions and the limiting of Family Allowances.

Why not just accept the wisdom of public opinion and drop this ridiculous Bill from the books? It would restore some of the confidence lost in recent times.

It was mentioned by one of my colleagues on Monday of this week, and I quote:

● (1240)

Government means sometimes taking hard and harsh measures where it is possible, and in this case the only way it is possible to take these measures is within federal jurisdiction.

I agree fully with taking hard and harsh measures to control inflation, but I disagree with the target of these measures. Spending continues unabated in the bureaucratic counting-houses of this Government while here in the House of Commons the President of the Treasury Board (Mr. Gray) is trying to extract the last possible nickel from the usual victims, the