

*Supplementary Retirement Benefits Act (No. 2)*

an evaluation in 1982, as required. If that had been done it would have been made available to us and would have been most useful in this debate on both sides of the House. In my opinion, this is unfortunate, since the results could have been of assistance in our deliberations on Bill C-133. Perhaps the Minister of Finance could indicate to the House if the 1982 evaluation has been done and, if so, when it will be made available to Members so that we may have it before us in committee.

I now wish to tell the House of my main concerns about this ill-conceived piece of legislation. First, I am concerned that the Government has been the recipient of some bad advice about this Bill. Its advisers apparently could not see any real difference between imposing a ceiling on salary increases, as we did in the spring, and imposing a ceiling on pension benefits which are already paid for. In other words, a ceiling on salary or earnings increases in the future and the imposition of a ceiling on pension benefits that are already paid for. I suggest that there is a difference.

As a result, if the Government proceeds with this Bill in its present form, it may be open to charges that it is trying to redirect pension contributions and the accrued interest without the permission of the other parties, namely the pensioners and the present employees. This may be an approach which is so legally questionable that it should be tested in the courts. Even if it is found to be legal in the narrowest sense, it would be completely unethical, in my opinion.

Should the Government persist in its present course, I believe it will do considerable harm to its credibility, not only in the eyes of its employees but in the eyes of many other Canadians as well. Since 1970, Ministers of the Crown and the Prime Minister have stated their strong support for the principle of full indexation of Public Service pensions.

The Prime Minister himself, at the National Pensions Conference in 1981, put the case for indexation when he said in his opening remarks in the report of which I read another section in French a few moments ago:

The unfairness of that situation, particularly when the savings pool to which they have contributed may have been reaping inflationary interest premiums, is not tolerable in a nation which believes in social justice—

Suddenly, Canadians are being told that this principle should be ditched, but only temporarily. In my opinion, this represents a rather disturbing view of the nature and importance of a principle.

I have heard it suggested that public opinion would be generally supportive of any move to restrain the pensions of those "fat cat" public servants. According to the very reliable Government sources from whom I have received these statistics, 70 per cent of those pensioners, those same "fat cat" public servants, receive less than \$8,100 annually. The Public Service Alliance of Canada estimates, as indicated in their recent brief, that the annual pension of the average retiree to be \$6,900 as of November, 1982. To attempt to portray such a group as "fat cats" is, to put it mildly, somewhat dishonest. In my opinion, far more Canadians would recognize this proposed action for what it really would be, namely, a breach of trust on the part of a previously trustworthy employer. I would be

surprised if most Canadians will look favourably on such an action.

In the light of this credibility problem, we would also be asked to believe that the measures would be of a temporary nature. No doubt at this point in time, the Ministers involved, and probably most of their advisers, honestly intend that the measures would last but for two years.

However, as anyone in the House knows, experience with the Ottawa scene tells us that temporary measures can become remarkably durable. For instance, consider the Halifax Relief Commission which was established as a result of the explosion in Halifax in 1917. The Government was finally able, with some difficulty, to phase it out in the mid-1970s as part of an austerity program.

Many of us in Ottawa remember the notorious temporary buildings which were erected in the early 1940s. They finally came down some 35 years later under the demolition program of the federal Government's public works in Canada.

• (1610)

If these temporary measures are adopted, the same old pressure groups will re-emerge and begin beating the drums once again to do something about indexation per se, preferably by eliminating it. I suggest that the President of the Treasury Board look back at the amount of time and effort the Government has had to spend since 1970 in defending the principle of full indexation. I am assuming, of course, that the Government still wishes to defend the principle. Perhaps the President of the Treasury Board could indicate to the House the credible safeguards he would adopt to ensure that the measures are indeed temporary. Otherwise, despite all their good intentions today, Ministers two years hence will find themselves once more being accused of breaking their word to their employees.

I do not want to hold it against one Minister, because we all know they come and go. In the last five years, we have had five Presidents of the Treasury Board. There has been Mr. Buchanan, Mr. Andras, Mr. Stevens, Mr. Johnston, and the present Minister. I fail to see how we can have continuity in such an important dossier as indexing, and that is possibly one of the reasons we are having some difficulties with this subject every so often.

As I understand it, advisors to the various Presidents of the Treasury Board had indicated to Ministers that capping pension indexation for the next two years, 1983-84, would save the Government about \$180 million. That was prior to the amendment tabled yesterday. I suppose that a cynic could say this gives us some indication of the price they would place on a principle. However, I do not believe that this is the whole story. Presumably after two years of restraint, pensions would be lower than if full indexation had remained in effect.

As I see it, this could be seen as a savings of sorts to the Government. Could the Minister of Finance indicate to the House the approximate annual savings the Government would expect to achieve as a result of this Bill from 1985 onward? What would the Government propose to do with these savings? Further, could the Minister also indicate to the House the