

Supplementary Retirement Benefits Act (No. 2)

of the indexing program, to be followed by its eventual elimination. The only chance I see of checking this tide is through positive action. One action that I believe would be particularly helpful would be to adopt motion No. 4, inserting a sunset clause in the Bill providing for the demise of the Bill on December 31, 1984.

Two conditions must exist if one expects compliance and trust. The rules must be reasonable and, second, those who set the rules must abide by them. The effect of amendment No. 4 will allow the President of the Treasury Board (Mr. Gray) to substantiate his claim that Bill C-133 is really a temporary measure. A sunset clause in Bill C-133 would also restore some credibility to the Government and to Parliament. It would show that the Government has confidence in its six and five program. In my view, it would re-establish a certain amount of trust which should lead to further consideration of pensioners with a view to restoring mutual confidence and understanding.

My colleagues can help restore some trust and improve somewhat the credibility which the public expects from its legislators. I invite my colleagues to vote for amendment No. 4 which will limit in time the unfortunate effects of Bill C-133.

Hon. Walter Baker (Nepean-Carleton): Mr. Speaker, I am very pleased that you looked at this side of the Chamber when it came to seconding the motion standing in the name of the Hon. Member for Ottawa-Vanier (Mr. Gauthier). I was very pleased to second it because I, too, read the budget speech. I, too, have heard the protestations that this is a two-year program. I think there is that wave of skepticism.

This skepticism is tinged with a great deal of apprehension and anger about a system that has been in force, supported unanimously within the country and within the Public Service, for many, many years. It is a system upon which thousands and thousands of public servants made their retirement plans and are making their retirement plans which, in a decent civilized society, also benefits the widows of public servants, who are included in the broad sector when we talk about public servants.

This very broad sector includes those who come under the President of the Treasury Board (Mr. Gray), members of the Royal Canadian Mounted Police, the Armed Services and some Crown corporations. It is interesting to note that it does not include employees of the Bank of Canada, which recently announced that they will index at 111/2 per cent, the going rate. The Act does not apply there. This is an indication of the ad hoc approach which raises the skepticism that my friend talked about. He is absolutely right.

We are approaching a watershed in Canadian pension history. If this Bill passes, it will be the first time that any federal Government had decided to diminish pensions, pensions which were bought and paid for. I want my friends opposite to remember this when they go to their constituents.

It is true that the Right Hon. Richard Bedford Bennett froze the salaries of public servants when he was Prime Minister. Although there was not a pension system in place for public servants of the kind we have today, there was a pension system in place during the regime of the Right Hon. Richard Bedford Bennett which was likely then described as generous.

It probably was for its time. And yet in the depths of the Depression, with the prospects and position of its senior citizens, of its young people, the Government of the country of that day did not touch pensions. It dealt with salaries, and people will say dealt iniquitously with salaries. If I were living in that day I would likely say the same thing. But they did not touch pensions.

● (1220)

Therefore, anyone who votes for this legislation is participating in the first of what we all suspect is a restructuring which will have very serious effects. It is a precedent and anyone who proposes to vote had better remember that. This is the first time that the pensions of senior citizens, especially those who have bought and paid for them, will be affected.

I want everyone to know what is the effect of the amendment brought by the Hon. Member. He says, and I agree, that he wants to underscore that the Bill will cease to have any effect after the two years. He is saying to the President of the Treasury Board, to the Minister of Finance (Mr. Lalonde), to the Prime Minister (Mr. Trudeau), who made a representation some time ago: "Put your money where your mouth is. You have backed off from that letter in 1977 when you said indexing was meant to protect against inflation. All those sweet protestations in that letter which was circulated to the public servants by the Prime Minister meant nothing. You have broken your word on that. The latest word you have is it would only be two years. Put your money where your mouth is."

I want to know where Government Members stand on that. I think this is quite a reasonable amendment to support and I hope that the first speaker on the Government side will suggest that it be supported. It is not only of importance in that it underpins the pronouncements which have been made by Ministers, but it is equally important in another way. I believe that it is at least open to argument that when the amendment says this legislation expires on December 31, 1984, it goes beyond just the expiry of a Bill. In other words, I believe it is more than a sunset clause. In my judgment, it is at least open to argument that when it says this Act expires on December 31, 1984, it could mean, and will likely be argued that it means, that its effects expire on December 31, 1984. The House should know that at some time that case will likely be argued.

The Hon. Member for Ottawa-Vanier and I, in two amendments which were declared inappropriate for this House, put forward the proposition that the base should be restored at the end of the program. I think the argument will be made somewhere that that will be the effect of this amendment, that the base will be restored, that there will not be a permanent loss of pension base for the two years, which without expression otherwise would in fact occur.

One of the great injustices of this Bill, Mr. Speaker, is that the Public Service pensioner bought and paid for something for him or herself, widow or widower, or children, as the case may