

C-124. We all know that one Party did not. We voted because we in the work force, public servants in the work force, should accept and react favourably to the Government program of six and five. We in the Conservative Party never intended that a vote on Bill C-124, which in effect approved of the Government trying to exercise restraint by example—and I will not get into the reasons it has not lived up to its example—would mean that we acquiesced with an inequity upon those who cannot defend themselves. The two cannot be connected. It is the same as the canard from the NDP which says that if one believes in God one is a Baptist or if one believes in God one is a Catholic. Often we believe in the same principle, for example that of disarmament, but we may have a very different way of going about it. That is how the MX missile was started; it was a crazy idea to begin with. I am glad that it was defeated. I think the world now will be safer. That is my thought about it. At least it was defeated and the world did not break down.

As Members of the House listen to the debate I hope they realize the inequity to retired public servants. Let me say, for those people who have just tuned in and do not know what I am talking about, we are considering Bill C-133, the Government Bill to cap the pensions of retired public servants as an example for all of us who are presently in the work force, to try to bring everything down to the six and five level. Quite frankly it is hocus-pocus because the economic, draconian methods of the Government with interest rates, the slow-up of the economy and the depression we are in, with 1.5 million unemployed, are bringing everything down to six and five and even below that level. It is no reason or justification to try now to pass a Bill affecting the pensions of people who have paid into them on a contractual basis and have worked faithfully for the Government. Now they are being betrayed by the Government of Canada. It is a mockery.

In conclusion I want to say that if the Bill passes in its present form, every Canadian should wonder why the Prime Minister, three to four weeks ago, interestingly enough preached, very well and eloquently in many ways, on trust. Yet we have a Bill in the House of Commons tonight which betrays the trust of one of the most fundamental groups in Canada, namely, retired public servants who have given their service and expect a better deal than they are getting from their former employer.

Some Hon. Members: Hear, hear!

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, it is a pleasure to speak on Bill C-133. I am speaking in opposition to the Bill which limits indexing of Public Service pensions to six and five per cent. I thank Mr. Speaker for recognizing me and for giving me the opportunity to participate in this very important debate. I congratulate those of my colleagues who have already spoken, particularly the previous speaker, for their constructive and well-intended comments in the debate.

I am surprised the Bill was brought before the House because there has been such vehement and sustained opposition to it. Not only are my Party and the Party to my left determined to vote against it but, until the Government Whip tugged sharply on their reins, up to ten Liberal Members were

also ready to help defeat the Bill and possibly their own Government.

This is another component of the six and five program; six and five Bills have been dangled before us over the past few months like a yo-yo. In fact, the entire program reminds me of a 99-cent novelty yo-yo—it is cheap, poorly constructed, and does not work very well; but it is gaudy and attracts a lot of attention when used in public.

This particular Bill is just as reprehensible as Bill C-131 because once again it puts pensioners, the sector of our society least able to give up buying power, on the front line of restraint. It has the added tinge of moral bankruptcy since it breaks the 1970 agreement between public servants and the Government, under which employees pay a percentage of their wages for protection of their pensions against inflation.

At the 1981 National Pension Conference, the Prime Minister (Mr. Trudeau) said in his opening remarks that the unfairness of a pension without inflation protection, particularly when the savings pool to which workers have contributed may have been reaping inflationary interest premiums, is not tolerable in a nation which believes in social justice.

In June 1981 the then president of the treasury board said that the federal Government remained dedicated to the principle that Public Service pensions are to be protected from inflation. Since 1971 Public Service pensioners, including federal Public servants, members of the RCMP, the Armed Forces and parliamentary employees, have paid one-half of 1 per cent of their salaries to protect their pensions against inflation. Since 1977 they have paid 1 per cent. In each case their employer, the federal Government, has matched those contributions.

In 1974, Public Service pensions were fully indexed to the rate of the consumer price index for all pensioners, including those who retired before 1970 and thus had not paid in at all to the supplementary retirement benefits account. It was only at this point that the Government had to begin drawing from the Consolidated Revenue Fund to cover the indexing of those pensions with little or no equity in the supplementary retirement benefits account. Until 1974, the indexing account had been self-sustaining. The 1974 Treasury Board handbook entitled "Your Superannuation Plan" stated:

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In any year where there is an increase in the cost of living, pensions will be increased in an amount directly related to the increase in the consumer price index, without limit.

"Without limit" is the key phrase, echoed in the words of the President of the Treasury Board and the Prime Minister on the occasions I have mentioned, and on many others. Time and time again the President of the Treasury Board has been on record as expressing the concept that pension savings and employers' contributions to match those savings are deferred wages or earned income, part of the total benefits package. Now, because the Government is short of funds, it has decided to breach its obligations.