

Supplementary Retirement Benefits Act (No. 2)

they ever are lifted, if there is a change in 1985 or 1986 under the provisions of this law, on what base will the new cost of living be set? Will it work on the base of the reduced 5 per cent? I suggest that there is room for another amendment. Unfortunately, I will not be able to move it, but I do suggest to the Government that it carefully consider the matter. I want the Canadian people, particularly public servants and serving officers of the Armed Forces, to bear in mind that their pension base is being eroded. I would suggest that a suitable amendment would be that if the six and five formula is applied, and the Government is all too likely to impose its will, the real cost of living index, whatever it is, should be applied to their pensions as of today for the next two years and should be a base for the application of the cost of living after that time. This would at least preserve the base.

Miss Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I would like to suggest to the Parliamentary Secretary to the President of the Treasury Board (Mr. Lang) that he, in his speech a few moments ago, as much as admitted that the base would be permanently reduced by the amendment which is before the House.

Mr. Baker (Nepean-Carleton): That is what I heard. You are right, Pauline.

Miss Jewett: The only recourse for the Government now, surely, is to say, "We have made a mistake. We did not really wish to fight this battle on the backs of retired public servants and retired Armed Forces personnel and we will gain very few dollars from this battle". However, those very few dollars which will be gained by the Government are, to the people concerned, extremely important dollars. This has been emphasized many times by members of all Parties, including some on the Government side. Indeed, if only about three or four additional Members on the Government side would act really in accordance with their own, I am sure, deeply held convictions, there would be no way this Bill would pass the House. I think it would only take perhaps four or five additional Members from the Government side to join us on this side and we would be able to dispense with the present amendment, and then defeat the Bill.

● (1540)

I find it particularly sad that those who suffer the most, and of course all the superannuates will suffer, are the surviving spouses of superannuates, of whom I believe there are 32,500, practically all of whom are women. Their average pension benefit now amounts to about \$3,200, based on normal indexation with inflation, \$3,200 which in many cases is the totality of the pension received, or is almost the totality, that is to say, the Old Age Security when added to it makes the totality of the pension received. This is what a great number of superannuates' spouses are trying to live on, yet the Government, by reducing the 11.5 per cent indexation that would normally be given this month to 6.5 per cent, has caused a loss to these superannuates' spouses of \$160. With the 11.5 per cent indexation, they would have got an increase from \$3,200 to

\$3,568. They are now going to get an increase to only \$3,408. That goes into the base, that \$160 loss. In 1984, the second year of this program, whereas the normal indexing base would have been \$3,568, with 10.5 per cent indexing, which would have been the normal indexation, that would have been raised to \$3,943. Now, with the 5.5 per cent indexation, the raise is only to \$3,595. That makes a loss of \$348 to the surviving spouse in 1984.

The combined loss to a surviving spouse who gets an average pension now of \$3,200, over the two-year period, will be \$508. That is a very large amount of money when the base is only \$3,200. There is nothing in the Government's proposal that will ensure that the base will ever be restored to where it is now and, as the Parliamentary Secretary to the Treasury Board (Mr. Lang) himself said a moment ago, the amendment we are discussing at the moment will not ensure that the original base will ever be restored to the present base.

The numbers of people I am talking about now is not large. As I say, surviving spouses of superannuates number about 32,500. The total amount of moneys from the Government's point of view, or anyone's point of view, that would be going to the surviving spouses had the 6.5 per cent and 5.5 per cent not been introduced are not large amounts of money. However, a loss this year of \$160 and a loss next year of \$348 for a combined loss of \$508 is, as I have said, a very significant amount of money to the surviving spouse when one is already living, as many are, below the poverty line.

It would not take very much, it seems to me, for Members on the opposite side, to say to their consciences and eventually to the House as a whole, that a mistake has indeed been made, and that it is not only a breach of moral contract to be reducing the indexing, because everyone must agree that it is that, but it is not in any way necessary for the so-called fight against inflation.

As has been pointed out many times, for reasons that have nothing to do with six and five, the cost of living is coming down. It is coming down because of the deepening recession, and there is no need therefore, even if they put it forward not on the grounds of morality but on the grounds of need, to index at six and five or at 6.5 and 5.5, the pensions of the retired public servants of this country and their surviving spouses. Neither on grounds of morality nor of need is this legislation necessary. It may be, in the case of the Conservatives who originally voted for six and five in Bill C-124, that they have now realized there is no need. They are late coming to this realization, but it may be that they have realized it, and all that is left now is for the Government to realize it.

The superannuates associations across this country have been trying in recent months, as hard as any group of people could, to impress upon the Government both the lack of morality and the absence of need for this legislation. I want to put on record at least one of the messages I have received. Like others, I have received hundreds of messages from individual pensioners and groups of pensioners. In my area there is quite