

# HOUSE OF COMMONS

Monday, January 24, 1983

The House met at 11 a.m.

● (1105)

## GOVERNMENT ORDERS

[English]

### SUPPLEMENTARY RETIREMENT BENEFITS ACT (NO. 2)

#### MEASURE TO MODIFY BENEFIT INDEX

The House resumed from Thursday, January 20, 1983, consideration of Bill C-133, an Act to amend the Supplementary Retirement Benefits Act (No. 2), as reported (without amendment) from the Standing Committee on Miscellaneous Estimates; and the motion of Mr. Gray (p. 21886) and the motion of Mr. Baker (Nepean-Carleton) (p. 21889).

**Mr. Jim Manly (Cowichan-Malahat-The Islands):** Mr. Speaker, I welcome this opportunity to take part with other Members of my Party in the debate on Bill C-133, which would have the very negative result of capping the indexation on Public Service pensions at 6 per cent for this year and 5 per cent for next year.

The amendment, which purports to increase this capping to 6.5 per cent and 5.5 per cent, is really no answer to the problem at all, proposing what would amount to a ten cents a day increase. However, it is the Liberal's approach by which they hope they can somehow save their electoral skins. I believe that the people and public servants of Canada are much smarter than to accept this miserable half per cent solution, because they recognize the basic principle involved here.

Basically, what the debate is all about is whether or not the Government should have the right to break contracts and promises, promises which were made several years ago, promises that the public workers entered into in good faith—

**An Hon. Member:** Paid for.

**Mr. Manly:** —and promises that they paid for, very definitely.

The Government sees pensions, I suppose, as being a privilege which it, in a paternalistic manner, can give out to public workers, rather than as being a right earned and paid for by these same workers down through the years. It is interesting to note that the Government has not always seen it this way. When it has suited its purposes, it has seen the virtue of indexing.

Perhaps the most eloquent statement of indexing was contained in a letter dated October 12, 1977, from the Prime

Minister (Mr. Trudeau) to the President of the Union of National Defence Employees. The Prime Minister stated:

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.

● (1110)

He goes on:

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 victim. We have an obligation to help protect them.

Like so many of the other Government obligations, this is one they are renegeing on. It is true that pensioners cannot bargain. They cannot strike. They have very little leverage with this Government except when it comes time to vote. We can be pretty sure how they are going to be voting the next time around, and it is not going to be for a Government which has introduced this kind of action. The actions of the Government at this time do not match the eloquence of the Prime Minister six years earlier.

When we look at the record of the Tories, what do we find? We find, as I mentioned earlier, that they are doing the hesitation waltz with the Government, the six and five hesitation waltz. When this proposal was first introduced in the budget last year, the Tories welcomed it. It is a step in the right direction. They moved in with that step. Then when they saw the implications this had for the voters they changed their tune and moved back a little bit. It was interesting to note last week that when they had a real opportunity to oppose this measure, they were right back in there with the Government. When they had a real opportunity to delay this legislation, they missed it. It is interesting to note that the Tories held up the business of this House for 15 days to defend oil company profits, but they were not willing to do so for 15 minutes for the rights of pensioners.

I have received a lot of correspondence from people in my constituency on this issue. As I mentioned earlier, the part of the world in which I live is a very attractive place for people to live and also to retire. The people who have retired in my area are not rich or well off but most of them do hope that they can retire in a modest degree of dignity and comfort. They find the