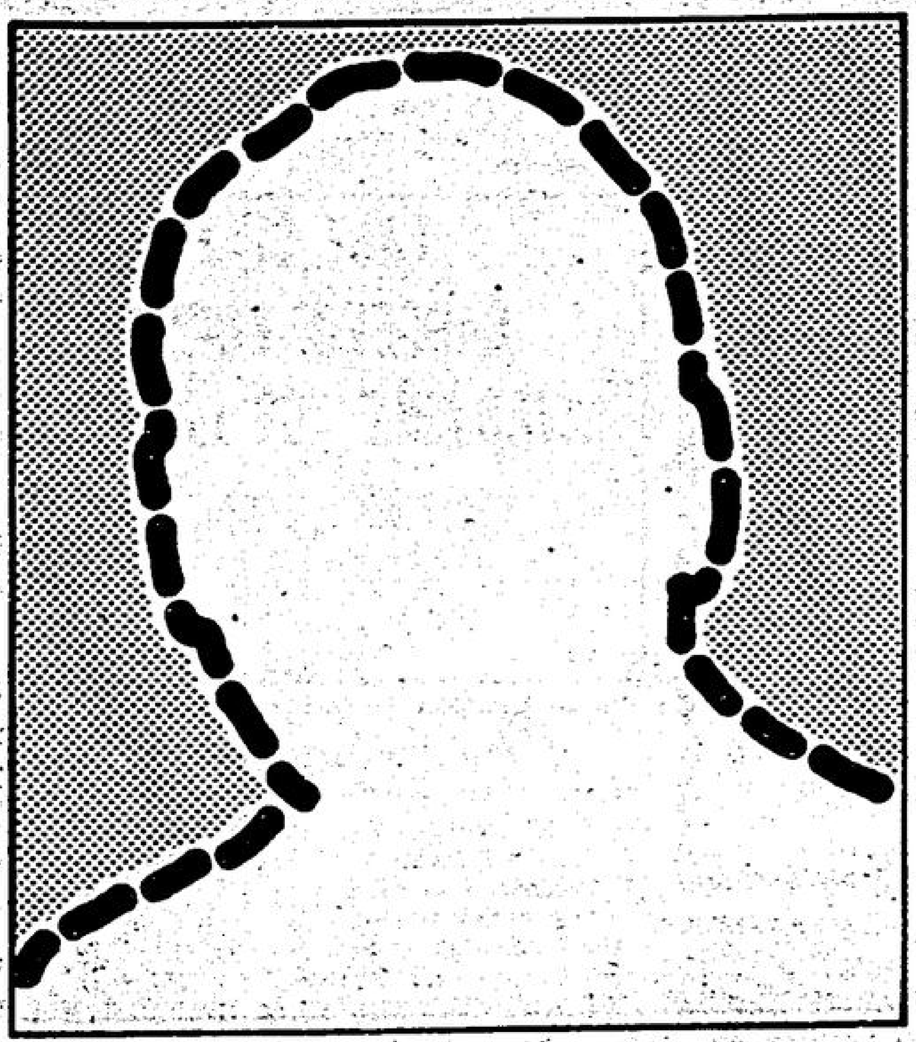
"Why should you pay one nickel to help civil servants have a much



How much are you paying so that a civil servant can have a better pension than you? Read this ad.

This is a civil servant. He'll retire at 55. The buying power of his pension will stay rock solid year after year after year. You pay for his pension.

Just why are the Federal Civil Servants getting a better pension deal than you?

Canadians are awfully nice to their civil servants.

The average Canadian worker sometimes has to worry about keeping his job, or being laid off. The average Federal Civil Servant doesn't.

Canadians are awfully nice to their civil servants.

The average Canadian worker has a private pension plan that will let him retire at 65 with a pension. This pension is not pegged to the cost of living.

The average Federal Civil Servant can retire at 55 with a pension that is pegged to the cost of living. It's fully indexed: if the cost of living goes up 12 percent, the pension goes up 12 percent.

Canadians are awfully nice to their civil servants.

To see how nice we are, take a peek at the chart below. It shows you what happens to each $100 worth of pension when there's an inflation rate of five percent, seven percent, or nine percent.

These rates of inflation are not unusual in Canada.

Year	Your pension	Federal Civil Servant's Special Pension at 5%	at 7%	at 9%
1	$100	$100	$100	$100
2	$100	$105	$107	$109
3	$100	$110	$114	$119
4	$100	$115	$122	$130
5	$100	$121	$131	$141
6	$100	$127	$140	$154
7	$100	$134	$150	$168
8	$100	$140	$160	$183
9	$100	$147	$171	$199
10	$100	$155	$183	$217
11	$100	$162	$196	$237
12	$100	$171	$210	$258
13	$100	$179	$225	$281
14	$100	$188	$240	$307
15	$100	$197	$257	$334
16	$100	$207	$275	$364
17	$100	$218	$295	$397
18	$100	$229	$315	$433
19	$100	$240	$337	$472
20	$100	$252	$361	$514

At year one of your retirement, both you and the Civil Servant will be able to afford pork chops for dinner. By year ten, you'll be eating macaroni, and he'll still be eating pork chops. By year fifteen . . .

Canadians are awfully nice to their civil servants.

"Fully indexed pensions at 55 sound like a swell idea. Why don't we all get one?"

Don't hold your breath.

We'll get them about the same date as your mail starts arriving when it's supposed to, when taxes stop going up faster than wages, and when the Sahara freezes over.

Actuaries say that if everybody has a pension plan like the civil servants have, contributions would have to go up at least 400 percent.

Canada's workers, self-employed and most private companies simply cannot (and never will be able to) afford fully indexed pensions at the present rate of inflation.

But Canadians are awfully nice to their civil servants. Read the stories below.

Read and weep.

This is a true story.

A 33 year old man quit the civil service. (It happens sometimes: people get bored). He had worked for the Federal Government for 8½ years. He had $7000 in his pension fund: that was how much he could withdraw.

However, he decided to leave it in. Because this was an indexed plan, if he left that $7000 in until he was 60, and inflation was 5%, the government would pay him $10,700 the first year he retired. That's without his putting in one extra nickel. By age 75, he'd be getting $21,185 etc.

In 15 years of retirement, he will collect $230,891 . . from an investment of $7000, based on just 5 percent indexing.

Which goes to explain why we all can't have indexed pensions. And just how awfully nicely we treat our civil servants.

Another true story:

A deputy minister resigned from the Federal Government at age 55. He had been making about $55,000. The pension he received the first year was about $30,000. When he's 75, at just 5 percent indexing, he'll be getting over $75,000 a year. At 7 percent indexing, at 75 he'll be getting over $100,000 a year.

Although he retired from the government at 55, he's gone into a consulting business. He'll probably work for the next ten years, even though he's getting well above $30,000 a year from the government already. And he'll probably tuck some of what he earns tax free into a private pension plan. It won't pay as well as the Federal Government's, but shucks . . .

"Yes, but we Civil Servants are paying 1% extra to look after the cost of indexed pensions."

Fiddlefaddle.

This 1% only pays a small fraction of the cost of inflation. Actuaries say that the cost of a pension plan like the indexed one the civil servants have is at least 4 times more than the cost of normal plans. As you know, we are currently running at an annual inflation rate of around 7%. And leading economists are expecting a much higher rate of inflation when A.I.B. restrictions are removed. We think that every nickel that is spent towards the cost of indexing their pension should be paid by the **civil servant** and not by **you**.

The Treasury Board can fiddle with the figures from now until doomsday (and we suspect they will) but that's true. Period. End of argument.

Now for the bad news:

The Federal Government says that it matches the civil servants' contributions. But actually, the Federal Government really doesn't put in the money. Nope. All that happens is that a clerk in some musty office puts a little note in a ledger that says that sometime, somehow the Federal Government should get around to putting up some actual real money.

The real money hasn't been put up yet. All that really exists is an I.O.U. Ask the Auditor-General.

Which leaves us with the question of what happens when the I.O.U.'s come due. Will the Federal Government solve the problem with its traditional solution: by printing more money? Probably. And that will lead to more inflation: it always has. Which means that the cost of living will go up. Which means that the Civil Service Pensions will go up. Which means there will be even more I.O.U.'s. Which means that . . .

Got it?

"Yes . . . but inflation isn't always going to be this bad."

Hot dingle.

The Federal Government now has such an investment in inflation that it can't afford for it to be less. They need an ever-expanding money supply. They'd stub their toe if they got off the carousel.

Over the past five years, inflation has run at an average of 8.35 percent per annum. Over the next five it just is not going to run a huge amount lower than that.

Our figures are conservative. We've indexed at just five percent. We'll be lucky if inflation is less than that. Check with an economist. Check with your bank. Check with Nobel prize-winner Milton Friedman. Or former Auditor-General Maxwell Henderson.

The man you voted for has a conflict of interest.

It's tough for the Member of Parliament you voted for to speak up against the special civil service pension plan. Because at the same time he voted for the civil service to have this plan, he voted to give one to himself.

Members of Parliament have indexed pensions.

Yup! That nice gentleman who told you to tighten your belt voted himself (very quietly) an indexed pension **you** can't afford.

He probably told you he was going to cut government spending, didn't he? He probably said there was a need for restraint. He probably also told you you'd get your mail on time.

Either you do something now, or you're going to end up paying for indexing a civil servant's pension for the rest of your life (to the point where the indexed portion is larger than the basic pension.)

And you're going to pay a bundle.

You have to kick up a fuss. And it's got to be a huge fuss, or your friendly Member of Parliament isn't going to listen.

You have to tell him that either he can keep his job . . . or start taking his pension.

You have to tell him that you don't want to pay a nickel for a Civil Servant's special indexed pension plan. Either the Civil Servant should pay the extra cost or he shouldn't have the pension.

The best way to tell your M.P. is to write us.

In politics, numbers count.

We're already holding some 14,000 names of people protesting against the Civil Servant's specially indexed plan. We got those names by sending out a letter to our own membership.

Now, we need a lot more names.

Yours is one of the ones we need.

Here's what you can do.

You can send us one of the coupons on this page. And you can have a friend send in one. And have somebody else send in a third.

We don't even need the coupon if you drop us a note.

We will forward all coupons and letters to the Prime Minister and will have an accurate count of names for the press.

It wouldn't hurt if you could write your M.P. at the same time, telling him that you have been in touch with us.

But don't wait around.

Do it right now. Promise yourself.

Otherwise you'll be stuck paying for a civil servant to get a pension that is more than you can afford. So will your kids. Otherwise you'll be saying that a Civil Servant is some special breed of person who should get more than the rest of us.

Don't wait around.

What is the National Citizens' Coalition?

The National Citizens' Coalition is a non-profit national group that gets mad about rip-offs like the Civil Service Pensions. We're non-partisan: all political parties dislike us.

When we get mad, we do ads like this. We're the people who caused most of the fuss about M.P.'s getting that huge salary increase. Partially because of our efforts, they lowered their salary demands.

We've been in operation for 3 years. We have 24,000 members from across the country. Most of them are pretty average Canadians.

The cost of this ad is just under $20,000. If you believe in what we are doing, help by sending a donation. We need money, especially now. This particular fight is probably going to be a long one, and with your support we can keep it going.

Of course, you don't have to send in a dime to send in your coupon. Despite our need for money to do these ads, we'd rather have the coupon or your letter.

Which is why we keep telling you to send either one, right now.

National Citizens' Coalition

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1-416-869-3838

A federal non profit corporation

(Put this ad up on a bulletin board. Or keep it for five years to see exactly how right we are.)