

provinces? Transfer payments are approximately 85 per cent of federal Government expenditures.

The other day in the Finance Committee the Hon. Member voted along with the New Democrats to increase our expenditures to the provinces for post-secondary education. They are not going to cut back on transfers for post-secondary education. The Leader of the Opposition (Mr. Mulroney) said: "We would not cut back on payments for health care. We would give more money to the provinces for health care". Are they a good advocate of cutting back on payments to senior citizens? No. Where are they going to save the billions of dollars that they want? That is the first part of my response to what was an obviously politically rhetorical question.

On the second aspect, quite frankly I am not prepared to agree with the Hon. Member that at this time, as we are rebuilding a new type of economy, a new base using the new technologies, we can afford to pull back. I am not afraid of a deficit of \$31.5 billion in the last Budget. Would the Hon. Member like to put his own figure on what he thinks that deficit should be?

The only honest approach they can take is that in previous years, perhaps during the 1970s, we overspent. We had real growth and at the same time we were running deficits. If that is their approach and if they can honestly say that during those times they were advocating cutting back on expenditures, that they were against indexing personal income taxes in the mid-seventies and all of those things, then perhaps they would have some credibility when they speak on the issue of deficits today.

I do not apologize for the deficit of \$31.5 billion contained in the Budget of February 15, 1984. Anybody who does so has the obligation to come forth and show us where they would make the specific cuts and who would suffer from those cuts.

Miss MacDonald: Mr. Speaker, I listened to what the Hon. Member for Willowdale (Mr. Petersen) had to say with regard to pensions. It is an issue in which I happen to have a particular and ongoing interest. I heard his eloquent remarks about the needs of the elderly, particularly elderly single Canadians. I am in agreement with him, except that he also made some complementary remarks about the parliamentary task force on pension reform which recommended an increase of \$102 a month to these people who exist on nothing but the GIS and OAS. The Government did not choose to go that route. I want to ask him for his personal opinion. I have had the reaction of the Government. Those people over the age of 65 today, the 600,000 who are living below the poverty line, are primarily women. Most of them are there because most of their lives they have spent working full-time in the home and there was no provision for them in any kind of pension plan. The parliamentary task force came up with a self-financing proposal by which homemakers could be brought into the Canada Pension Plan in their own right so that if they are divorced or separated or if the husband dies, they can carry on as beneficiaries of the Canada Pension Plan. I am looking for recruits, for supporters of that proposal. I say to the Hon. Member that I know the Government does not support it, but does he as an individual who seems to be concerned about that

The Budget—Mr. MacDougall

issue realize that if we do not correct the inequities that presently exist for people who work full-time in the home, there will be even more than 600,000 people in that desperate category who will be over the age of 65 very soon?

• (1730)

Mr. Peterson: Mr. Speaker, I have two comments to make in response to the Hon. Member for Kingston and the Islands (Miss MacDonald). I support enthusiastically the concept and the recommendation of the task force with respect to homemakers' pensions. As the Hon. Member points out, the situation is, I think, absolutely unconscionable. There are so many people who have made their contributions. No one can tell me that being a homemaker is not an important, critical and valuable contribution in terms of social values and in terms of the economic possibilities it often gives the other members of the family. No one may denigrate that contribution, particularly when it comes to the retirement income of these single women who are below the poverty line. It is a national disgrace that so many single women are living below the poverty line.

I would like to know what the position of her Party is on this matter. I support that recommendation completely. Let us all work in a constructive way toward seeing that it is achieved.

My second comment is that the Budget Speech made by the Minister did indicate that discussions are being undertaken and will be undertaken quickly with the provinces in order to obtain provincial support and co-operation in this endeavour. I do not think we can wait very long for those discussions to start and for us to come up with some very practical solutions to the very real problem that the Hon. Member has articulated.

Mr. Kristiansen: Mr. Speaker, I would like to ask the Hon. Member for Willowdale (Mr. Peterson) a couple of questions. He dwelled for a long time on the question of debts and deficits, and I was wondering if he had seen a recent column in *The Financial Post* of February 18, 1984, written by an economics professor from the University of Manitoba, Mr. Ruben Bellan. The column points out that instead of pursuing in Canada an approach to deficit and debt similar to that pursued by the Government of Japan, we have, because of the policy of the Liberal Government, which is urged on even more strongly by the Progressive Conservative Party, been pursuing a policy of borrowing abroad and forcing our municipalities and corporations, etc., to borrow abroad because the Government does not borrow at a low cost.

The Acting Speaker (Mr. Guilbault): The question period is terminated. We will return to debate.

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, in starting off I would like to congratulate you on your new position and I wish you well. Before I begin to state my thoughts and comments on the Government's February 15 Budget, may I take this opportunity to congratulate the Prime Minister (Mr. Trudeau) on his retirement plans. As a Conservative and a Member who sits on the opposite side from the Prime Minister, I can honestly say that I have not always seen