

Private Members' Business

[English]

As a result the credit which reduces federal taxes for a senior by just over \$600 a year will be reduced for some 800,000 people with incomes over the set mark. Of this group the credit will be eliminated for some 200,000 seniors, 5 per cent of the total with yearly incomes over \$50,000.

It is true that the budget announced a policy paper will be released this year that will examine the challenges and opportunities posed by our aging society. The government indicated that this paper among other things would examine what changes are required to the national pension system to make it financially sustainable.

I find it ironic and insulting to all Canadians, especially seniors, that here we have a member dedicated to the dissolution of our country with all the chaos and cost that would entail and that same member has sanctimoniously advanced a motion demanding the preservation of key elements of that country's social safety net. Obviously some status quos are more equal than others.

I cannot prejudge what will be in the government's policy paper on an aging society but it is absurd to demand today that something so important as old age security be retained ever more unchanged when the pressures of an aging society are themselves changing at a rapid clip.

Let me remind the member of some more of those basic facts that no Canadian dare overlook. Because people are on average living longer and having fewer children, our population is aging. The proportion of people over age 65 will almost double over the next 40 years from 12 per cent today to 23 per cent in the year 2030. This will have real fiscal consequences. It is estimated that this evolution will demand that the contribution rate under CPP be pushed up from 5.2 per cent of eligible income to 13 per cent by the year 2030. That is almost a triple increase in the burden on employers and working age Canadians, a prospective increase that will compound a tax burden most people already feel is excessive.

•(1815)

Given this outlook I again see this motion as being absurd in trying to bind the government's hands by demanding that we retain the existing system that would prevent any action to improve and preserve the old age security system and the Canada pension plan.

That is not surprising. I doubt if the hon. member wants to see anything that would improve things for all Canadians, including seniors who have spent their lives, building a country that the United Nations has again identified as the best place to live in the world.

I passionately believe that one of the most sacred responsibilities any nation has, any government has, is to the senior citizens who have built and shaped that nation. Those facing economic hardship have a priority call on the best support that we can afford. However this respect and responsibility means that we must do what is needed to ensure that we can deliver this support consistently and securely in the years ahead. Those years will be years when the number of seniors grow dramatically.

The only way to resolve these dual demands for appropriate assistance today and to ensure that government can provide assistance tomorrow, this government—the government of a united Canada—has to ensure that our fiscal house is put in order. The budget did that by wide ranging action to set the deficit on a path down to just 3 per cent of GDP. Beyond that we are committed to balancing the books in the medium term.

Income testing of the old age credit is one part of that fiscal action. It reflects the fact that our \$500 billion public debt is a national problem and that the solution demands actions that will touch on many Canadians in all regions. Again let me remind the House that for every dollar of fiscal improvement on the tax side, our budget took five dollars out of action on the spending side. Our actions, like those affecting some seniors, were carefully balanced to ensure we do everything possible to protect those in real need.

In conclusion, I see this motion as nothing more than an attempt to play cheap politics with Canada's senior citizens. It misrepresents government action and it fearmongers, and that is a shame. It supports a status quo without recognizing the shifts that are taking place in society. For all these reasons it merits our dismissal.

Canadians, senior citizens as well as those not yet facing the exigencies of retirement age, are willing to pay certain prices to ensure that this country remains the best place on earth to live. With this government at the helm it will.

Mr. Randy White (Fraser Valley West): Mr. Speaker, that last speech was so emotional it almost brought tears to my eyes. In particular, hearing the government is going to get its fiscal house in order I think the tears were at the humour.

During the last election the Liberal candidates said those bad Reformers are going to make two classes of seniors by determining what their income is and then provide benefits based on that determination. Means testing they called it.

Here we are after the election looking at the Liberal government providing a means test for seniors by developing a formula for determining an individual's age tax credit. I wonder when Canadians will hear the truth from the traditional parties during an election. During an election on the one hand they say one thing; on the other hand after the election they do what they want to do. Such is the case once again.