

*Oral Questions***PENSIONS****EFFECT OF CHANGE IN INDEXATION**

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of Finance. The Minister of Finance knows that the impact of his budget proposal to deindex pensions will have a serious effect on most pensioners. The Minister also knows that the impact on a 50-year-old Canadian who is planning for his retirement is that, through inflation and reduction of the pension, he can expect to receive a pension which is equal to an amount approximately 50 per cent of what he receives today in real dollars. Would the Minister of Finance not agree that the proposal to deindex pensions is simply putting the boots to old age pensioners?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it very clear to the Hon. Member so that he does not mislead the people who are watching Question Period. Indexation will be modified. There will still be a very potent form of insurance in the event that we do see high levels of inflation at some time in the future. We are having regard for the concern that older people have with respect to the effects of inflation. But I would like to remind the Hon. Member that older people are very concerned about the effects which deficits and debts have had on past levels of inflation. Therefore I believe they are willing to make a small sacrifice to do their part in fighting inflation, and to do that through reducing the high levels of debt.

LIBERAL BUDGET—STATEMENTS MADE BY PRESENT MINISTERS

Mr. Neil Young (Beaches): Mr. Speaker, on June 29, 1982, in response to the MacEachen proposal to deindex pensions, the Minister of Finance said:

—the Minister is to put the boots to those who are hardest hit in the economy today, the low-income people and the pensioners.

Would the Minister agree with the statement from the Hon. Member for Kingston and the Islands on the same day, on the same budgetary proposal, when she said:

The meanest move in his budget last night was to reduce sharply the indexing of old age security for those who do not receive the supplement.

Would the Minister of Finance not agree that the Government is indeed putting the boots to old age pensioners?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has forgotten to establish the perspective within which that comment was made.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): At that time inflation was running—

Mr. Blaikie: Come on, hypocrite.

Mr. Speaker: Order, please. I think it is reasonable for questions and answers to be heard. All Members in the House—and I am pointing in a particular direction—should refrain from using unparliamentary language.

● (1440)

Mr. Wilson (Etobicoke Centre): Let me start again, Mr. Speaker. I think we should look at the situation we were facing at that time. There was a level of inflation. My recollection is that it was around 11 per cent. The Government at the time was proposing to reduce the level of indexation to 6 per cent. That was five percentage points it was knocking off the old age security benefits. What we are saying here today is that we have inflation down and we want to keep it down. One of the ways we can keep it down is by lowering the size of the deficit, getting control of the debt, and removing those ongoing pressures—

Mr. Broadbent: On the backs of the pensioners.

Mr. Wilson (Etobicoke Centre): If the Hon. Leader of the New Democratic Party would listen, he will hear that what we are trying to do is remove the pressures from that inflation which is causing the problem we are trying to protect Canadians against.

Mr. Broadbent: And the pensioners are paying for it.

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[Translation]

THE BUDGET**THE ELDERLY—GOVERNMENT POSITION**

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. the Prime Minister. In Sherbrooke, last July 26, he made a promise to elderly Canadians and his first priority was to reinstate full old age security pension indexation to the cost of living as of January 1, 1985. Can the Prime Minister now explain to older Canadians why he let his Minister of Finance disregard that commitment to senior citizens, and also let his Minister of Finance eliminate part of the indexation, with the result that elderly Canadians will lose \$54 a month?

[English]

Hon. Jake Epp (Minister of National Health and Welfare): I want to say to the Hon. Member that, when one takes a look at the entire indexing of old age pensions, one sees that the full indexing is still there for those pensioners who rely on the GIS.

Mr. Turner (Vancouver Quadra): The basic isn't.

Mr. Epp (Provencher): I understand that, John.

Mr. Turner (Vancouver Quadra): Then say it.

Mr. Epp (Provencher): Additionally, I want to say to the Hon. Member that he should go back, for instance, to 1982 and the discussion at that time when the former Government brought in six and five. At that time the debt was calculated at \$10.9 billion. We then heard it was going to \$19.6 billion. At that time the Government took those kinds of steps. Today we