

*Supply***GOVERNMENT ORDERS***[English]***BUSINESS OF SUPPLY****ALLOTTED DAY, S.O. 62—NO-CONFIDENCE MOTION—
INDEXATION OF OLD AGE SECURITY PENSIONS**

The House resumed consideration of the Motion of Mr. Tobin:

That this House urges the Government to commit itself now to maintain the present system of full indexation of Old Age Security pensions after January 1, 1986.

Mr. Deputy Speaker: When the House rose, the Hon. Member for Trinity (Miss Nicholson) had the floor.

Miss Aideen Nicholson (Trinity): Mr. Speaker, when the House rose, I was quoting some very good statements from the Government's consultation paper on child and elderly benefits of January, 1985. I was suggesting, Mr. Speaker, that on reflection, Hon. Members on the government side might find those statements more to their liking and a better basis for public policy than some of the statements which appeared in the Budget paper. In particular, there were the principles announced in the paper which were to be considered as firm commitments, and I quote, "The concept of universality is the keystone of our social safety net. Its integrity must not and will not be called into question", and, "Any savings which mirrors out in program changes will not be applied to reduction of the deficit".

For whatever reasons, the Government changed its position between June and Budget day, but we were somewhat reassured to hear the Prime Minister (Mr. Mulroney) say yesterday that some of the measures in the Budget are in fact to be treated as proposals and are not graven in stone. It is in this spirit I am putting forward some thoughts which I hope will assist Hon. Members of the Government to vote for our resolution and to encourage their Ministers to reconsider.

● (1540)

The question of retirement security in our country has for a number of years included some layers; first, whatever kind of private pension people have if they are in the workforce, and these really have not proved very useful for most Canadians. This is either because the period required to vest the pension is too long, because many smaller firms do not have pension plans at all, and because Canadians are mobile and they lose their pension rights in the course of several moves in a career. Therefore, the private pension plans up until now have not proved to be of great use to the majority of Canadians; second, the Canada Pension Plan, since its inception, gives a certain floor to Canadians in the labour force, but of course it is of no help to housewives, for example, who are out of the labour force for a very long time; third, then there are private savings or investments for people in a position to make that kind of provision for their older years. Then for everyone, regardless of income or whether one has been in the labour force or not, there is the Old Age Security. For the poor, those who have

nothing except for the OAS, there is the Guaranteed Income Supplement.

When one looks at the people now on pensions, an overwhelming majority receive the OAS and the GIS. Those who had savings very often found them eroded by inflation and they are in the situation of requesting a partial GIS. Regardless of private pension plans, private savings or the CPP, for most Canadians the OAS is the only reliable source of income in their later years. As I said, two thirds have nothing else and, therefore, they receive the means-tested GIS. Our old age pensioners, by and large, are not in a position to defend themselves against a sudden and unexpected loss of income.

The people currently receiving OAS are of a generation which has gone through a lot. Many of them grew up during the Depression and lived through a world war. They are pretty tough people for whom life has not been easy. Nevertheless, it was they who supported all through the years the various measures which put in place our present social security net. Indeed, one of the leaders of a senior citizens' group has been quoted recently as saying that they are the generation which put in place this compassionate society we have. They built it and they feel that they have some rights in the matter and that drastic changes in our social security system should not have been made without consultation with them.

Let us contrast the statements made by the Prime Minister last July, last November, and those in the government consultation paper, all of which were very good, with the present situation. When the Budget came down, we saw just four lines devoted to this proposed measure, four lines to say that old age pensions are being deindexed, and that indexation will remain for the GIS. That still hurts those receiving the GIS because their income is still being reduced. Let us look at what some of these figures might mean.

The two and a half million old age pensioners stand to lose close to \$1,500 each over the next five years because these measures are cumulative. By 1990 a further 200,000 of those receiving OAS today will fall below the poverty line. The measure will save the Government \$15 million in 1986, rising to \$1.6 billion in 1990. Another measure in the same Budget conferred a \$1.25 billion give-away in capital gains to the wealthy in our society, a small group, and this gift has no strings on it. There is no requirement that it create Canadian jobs or relate to Canadian assets.

There is a certain apparent insensitivity to the plight of the poor here which is in rather stark contrast with a very sensitive statement made by the Prime Minister in July where he said that recent statistics indicate that more than 60 per cent of women and 40 per cent of men over the age of 65 who live alone have incomes below the poverty line. At that time the Prime Minister promised, if elected, he would reinstate complete indexing of old age pensions to the actual cost of living as of January 1, 1985. The reality, of course, we have seen in this Budget. As I said, it described the measure in four lines. It gave no examples of the impact on senior citizens, but we learned that very detailed tables were prepared by the Depart-