

*Old Age Security Act (No. 2)*

three unattached women over 65 who live below the poverty line.

If the old age pension is already inadequate for these seniors, so that they are already in need of an income supplement to bring them up to or past the poverty line, then why is the Government making the problem even worse by reducing the impact of the already inadequate old age pension? How does taking money out of one pocket and putting it in another save money? How can putting more seniors on the extreme dependency list by reducing the increase of their basic pension plan help the pride and self-respect of a person's retirement years? How can the Government of the richest country in the world even consider a pension plan which would only keep its retired citizens in a state of poverty?

What a joke is the term "Guaranteed Income Supplement" when one looks at the record of the Government! The dictionary definition of "guarantee" is: "Give one's word that something will happen; given as security for fulfilment of conditions".

Canadians well know the record of the Liberal Government in giving its word—its word about no wage and price controls, its word about 18-cent gasoline, its word that it would reduce Canada's annual deficit. We have seen the Government go back on deals made on Canada lands through the National Energy Program. We have just witnessed the passing of legislation to renege on or to flatly break the Government's contract on pensions to public employees, RCMP members and people in our Armed Forces. If the Government is prepared to break written deals, it should come as no surprise to Canadians that it will readily break moral or unwritten contracts with its seniors.

It is interesting to note that private sector pensions, those provided by life insurance companies, do not have the privilege of renegeing on their amounts or conditions. The Government sees to it that private company pensions may not withdraw any rights, conditions or amounts which have been promised, and this is how it should be. Why, then, should Canadians tolerate a Government which can break its word, its social contract with Canadian taxpayers? Can it be that the Government old age pension plan is failing? Obviously, the answer is yes. None of the private sector plans has failed or been cut back. This is because they are, by law, actuarially funded so that money will be there when needed. At the very least, actuarial funding should be a condition of Government pensions, or we will be continually facing the cutting back in promised pensions similar to what we are seeing today.

In Canada's aging society it will be impossible to sustain various pension plans we now have on the books. The 2.1 million so-called "old people" of today will become 3.4 million by 2001, which is just 18 years away. Instead of breaking its social pension contract with Canadians, the Government should be introducing legislation not to increase pensions but to improve them, consistent with many of the recommendations of the Senate special committee report of 1979, particularly as it relates to gross underfunding in general, and the terrible inequities and injustices suffered by women under present provisions in particular. What good is a pension plan

that has no money? Thanks to lack of planning the only way the rest of us will get a pension will be to increase the taxes on our children.

• (1115)

As I said earlier, private pension plans must, by law, be actuarially funded so that the money must be there when the time comes to pay it out. Not so Government pensions. This was brought out clearly when this House debated the large pension increases voted on by Members of Parliament for themselves. If the money had had to be found to buy such pension increases for Members of Parliament through a private pension company, it would have been a different story and Members and Senators would not have been able to afford to vote themselves pensions of a size double that allowed other Canadians. Imagine the unbelievable cost of \$1.2 million for a pension for our new Senator Pitfield. By the time he retires, it is estimated that he will have been paid some 15 times as much money as the average Canadian pensioner. How is that for equity and social justice Liberal style?

Of course, I support the principle of the 6 per cent and 5 per cent wage guidelines in our fight to bring inflation down, but I do not subscribe to the breaking of a moral or a written contract with just a selected few Canadians, rather than all Canadians.

I would also support a major economic policy drive to increase Canadian production, productivity and other measures which would lower inflation to below 6 per cent per year. Then the pensions of seniors would not need to go up over 6 per cent and this Bill will have been proven to have been unnecessary.

What we need is economic action, not negative legislation. If any Liberal Member, after voting himself or herself a huge pension increase just a year and a half ago, were to rise in support of this despicable cutback in pensions to deserving seniors, then hypocrisy will have been elevated to a new level in this House of Commons and Liberal social justice to a new low.

**Mr. Ian Waddell (Vancouver-Kingsway):** Mr. Speaker, I rise today to speak on behalf of my Party, the New Democratic Party, on Bill C-131, an Act to amend the Old Age Security Act. Before I do so, I have one comment on the words of the last speaker. He said that the Conservative Party, of which he is a member, supported the principle of six and five and then he said that he is against this Bill. It seems to me that the Conservative Party must have foreseen, if it supported the principle of six and five—this phony Liberal principle—that in fact the Conservatives would be faced with Bills like this one which will affect old age pensions. As well, the Conservatives would be faced with Bills that would affect children, Family Allowances, Public Service employees, retired army people, retired policemen and other retired employees of the civil service. The Conservatives must have known that. Is the Conservative Party of Canada so divided and so mixed up in its leadership fights and its Members so preoccupied with