

● (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have indicated to my hon. friend on many occasions, and to his colleagues, that this measure and its possible effects will be monitored closely over the course of the next few months. I take no joy whatsoever in cutting back on benefits to anyone, least of all elderly citizens. I take not the slightest amount of joy in that. The fact of the matter is that the profligacy of previous Governments has now placed in jeopardy the capacity of Canada to sustain those programs in the years 1989, 1990, and 1991. I think we have a moral obligation to take a very serious look at it, and to ensure that the elderly and others are protected in the future. We are in the process, through new job creation, of building a stronger economy. I have given my hon. friend—

Mr. Speaker: With great respect, the answers are very long today.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister has spoken once again, as he frequently does, about moral obligation. It seems to me that there is a moral obligation for the Government to be consistent in what it says.

The Prime Minister did not answer the question. If he knew in January, as he did, what the deficit position of the Government was, why did the Government say that there would be no change in the old age pensions? Why has the Government now put the burden of deficit reduction on the backs of pensioners, when it made a commitment to the senior citizens of Canada in January that it would not do that? That is what morality is all about in politics.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, if the Hon. Member would cast his mind back to the debate then, the question was whether the Government would support and maintain universality of the Old Age Security Program. That was the issue. The point to which he was alluding at that time was that the Government was not committed to universality. The universality question in the report was stated very clearly. People who became eligible at the age of 65 for Old Age Security, regardless of their income, either before retirement or after retirement, would be eligible for the Old Age Security. The Budget has not changed that. In fact, if he takes a look at the amount of money which old age pensioners will get—and he likes to leave the impression that there will be less money in their cheques—he will realize that their cheques will not be less; they will increase.

Oral Questions

[Translation]

FINANCE

INQUIRY RESPECTING STATEMENT THAT BUDGET IS TOUGH BUT FAIR

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, in the absence of the Minister of Finance, my question is directed to the Prime Minister. We know he has repeated many times that the Budget was tough but fair.

Today, a headline in *The Globe and Mail*, for instance, reads:

[English]

Deficit cutting really a mask for aiding rich.

Allan Maslove, Director of the School of Public Administration at Carleton University, argues that “the Budget is in fact more noteworthy for its redistribution from the middle class to the high income groups than for its deficit reduction”.

[Translation]

Considering the comments by analysts that were published today and many others that were published previously, would the Prime Minister explain to the House by what kind of mental acrobatics or magician's trick he manages to maintain that his Budget is fair and equitable?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is nothing magic about it. In September, we took over at a particularly difficult time. We had to start the uphill task of economic renewal, because it was the only way to provide for social programs in the future. Since September 17, we have created 271,000 new jobs in Canada, and I think that for an unemployed person, the best kind of equity is a new job. That is what we have done. We are taking economic renewal seriously, which was proved again last Friday, when statistics indicated there were 70,000 new jobs. I hope the Hon. Member will agree this is another step in the right direction for economic renewal in Canada and for social justice.

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OLD AGE SECURITY

BUDGETARY CUT-BACKS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, the Right Hon. Prime Minister has been talking about the Budget deficit.

I would like to ask him a very simple question. How is it possible that a Government that says it is in financial trouble, has enough money in 1985-86 and 1986-87 to grant \$900 million in tax benefits to those Canadians who will be making capital gains, while it does not have the \$265 million needed to maintain full indexation of Old Age Security pensions? Why was there enough money to help the rich who are given tax