

QUESTION PERIOD

[English]

THE BUDGET

DE-INDEXATION OF PENSION BENEFITS—GOVERNMENT POSITION

Hon. Allan J. MacEachen (Leader of the Opposition): Honourable senators, I am seeking from the Leader of the Government an authoritative statement on the proposal to eliminate the full indexation of pension benefits. The honourable leader may have noticed the headlines in the various newspapers this morning on this question: "We may scrap de-indexation, Mulroney hints"; "Govt. back-pedals on pensions"; "Pension cuts a 'proposal,' PM asserts."

Can the Leader of the Government tell us whether there has been a shift in government policy and that it is now the intention, as the newspapers say, to backpedal?

Hon. Duff Roblin (Leader of the Government): My honourable friend knows as well as I do that it is not customary for representatives of the government to deal with newspaper reports of this kind, particularly headlines. I really have no information that I can give him that would either confirm or deny what he has read in the newspapers. If any changes are to be made to any aspect of the government's financial program, they will be announced in due course when the government is able to make such a statement. I have no indication at all that any such statements are forthcoming.

Senator MacEachen: Yesterday, in the House of Commons, the Prime Minister stated, in reply to a question:

The reason this particular measure—namely, the pension measure—

was not implemented on budget night was because of our apprehension in regard to the possible impact. That strikes me as being legitimate. We wanted to monitor the situation as closely as possible so as to minimize whatever effects there were on the elderly.

I would like to know from the Leader of the Government in what way the government could have implemented this measure on budget night. The Prime Minister has said that this measure could have been implemented on budget night if he had not been concerned and apprehensive about its possible impact.

Perhaps the Leader of the Government could also tell me whether or not there is any provision in any of the budget papers that would lead to the implementation of this particular measure.

Senator Roblin: I think I can confirm to my honourable friend that the date on which the partial de-indexing of old age pensions will apply is after the first quarter of next year, that is, after April 1986. That is the policy of the government at the present time and that is the date the government has decided to set for the implementation of this measure. Other dates may indeed be possible, but I must confess that the one that concerns me is the one that has actually been accepted.

Senator MacEachen: The honourable Leader of the Government has not answered my question as to how it would have

been possible for the government to implement this measure on budget night. I do not see how it could have possibly been implemented.

Senator Flynn: He didn't say that.

Senator Frith: Yes, he did. What did he mean when he said he was refraining from doing it?

Senator MacEachen: The Prime Minister stated that this particular measure was not implemented on budget night because the government was apprehensive. I assert to the Leader of the Government that in my view there is no way that this measure could have been implemented on budget night; it would require an amendment to the Old Age Security Act and that the amendment has not even been introduced yet. I have searched the budget papers—

Senator Flynn: Search your mind, that would be much better.

Senator MacEachen:—the ways-and-means motions—

Senator Frith: Slow down.

Senator MacEachen:—and there is no reference whatsoever in the budget papers—

Senator Frith: I hope you are laughing at the Prime Minister.

Senator MacEachen:—to this particular measure.

Senator Flynn: I am laughing at your leader.

Senator MacEachen: I would like to know how, in the mind of the government, this measure could have been implemented on budget night. Is there a way?

Senator Flynn: As if you knew nothing about the process!

Senator Roblin: I think that my responsibility here is not to answer hypothetical questions such as the one raised by my honourable friend but to try to deal with the policy the government has adopted. The policy the government has adopted and the timetable attached thereto is part of the budget statement, and that is the position on which I must take my stand.

Senator MacEachen: May I ask this question: Can the Leader of the Government tell us that the proposal or the measure referred to in the budget speech by Mr. Wilson with respect to the elimination of full indexation is still the firm policy of the government?

Senator Roblin: It has never been the firm policy of the government to eliminate indexing.

Senator Frith: What?

Senator Roblin: The firm policy of the government is that partial indexing will be—

Senator Frith: The firm policy of the government is that it does not have a firm policy.

Senator Roblin: Would you like to answer the question?