

*Supply***Mr. Neil Young (Beaches) moved:**

That this House condemns the Government for failing to keep the following promise made by the now Prime Minister in July, 1984:

"A Progressive Conservative Government intends to re-establish the full indexing of old age pensions to the cost of living beginning January 1, 1985."

He said: Mr. Speaker, at the outset I want to indicate that I take absolutely no pleasure in talking about the Budget, particularly the aspect of the Budget which the motion specifically addresses.

It is all a matter of fairness. The Conservative Budget of May 23 is not fair to our families, children and, most of all, our parents. Nothing epitomizes the unfairness of this Budget more than the deindexation of the Old Age Security program. Every senior citizen in Canada will have \$100 taken out of his or her pocket in 1986 because of the Budget. In 1991, that will have risen to \$680 per year, for a massive five-year cumulative total of \$6.6 billion slashed from the Old Age Security Program. Hardest hit will be elderly women, the most vulnerable group in our society, 60 per cent of whom are single elderly women now living below the poverty line.

Further, deindexation of the Old Age Security pension is a direct attack on Canadian women—our mothers and our grandmothers. Deindexation will entrench inequality for Canadian women in the most regressive manner by condemning the poorest elderly to ever greater depths of poverty. There are 800,000 Canadian women over the age of 65 who are so poor that they receive either the full or partial income supplement. Over 60 per cent of single elderly women live below the poverty line. By 1991, the Government will have taken a cumulative total of \$4.2 billion out of the handbags of our mothers and grandmothers.

The Government is refusing to listen to the women of Canada; to the National Action Committee on the Status of Women, which represents over 360 women's groups; to the Canadian Advisory Council on the Status of Women; and to other organizations which have condemned this attack on elderly women. The Government should heed their message.

As I said earlier, it is a question of fairness. The Budget can only worsen because of deindexation a soft word that couches harsh reality. It is a word which the Prime Minister (Mr. Mulroney) never mentioned to Canadians during the election campaign of last summer. In fact, during that campaign the Prime Minister made a solemn pledge that "a PC Government would once more index the old age pension to the actual cost of living on a quarterly basis". That promise has been broken. As a result of the Government's self-described tough but fair Budget, Old Age Security payments will be deindexed so that they are no longer fully inflation proof. Payments will not be adjusted to reflect the effects of the first 3 per cent of inflation. That is certainly tough, but it is definitely not fair. Pensioners have every right to sue the Conservatives for breach of promise.

In the weeks leading up to the Budget, the Conservative Government went out of its way to talk about a Budget which would be tough but fair. What we have seen is the Minister of unfairness, the Minister of Finance (Mr. Wilson), use the

word "fairness" over 20 times in his budget speech. In the days since the Budget was introduced, the Prime Minister, his Cabinet and Conservative back-benchers, are travelling the country hoping that if they say the words "tough but fair" time and time again, Canadians will believe them. I say to the Prime Minister that no public relations campaign, no matter how slick, can disguise the fundamental unfairness of the Budget. Nothing can disguise the fact that this is a rich person's Budget.

No aspect of government affects the lives of all Canadians in such a massive way as does a Budget. Nothing better illustrates a Government's sense of fairness than a Budget and the distribution of wealth in our society. A Budget demonstrates fundamentally the type of society a Government wants to see for its citizens, what kinds of programs it wants and who pays the taxes. A Budget also reveals the soul of a Government. This Budget reveals that the Conservatives have no soul. This Budget is unfair and it is tough, but only on ordinary Canadians.

When it comes to ordinary Canadians, there is only one hand that takes. However, when it comes to big business, one hand takes a little but the other one gives back more. By 1990-91, the Government will have collected \$4.1 billion more in personal income taxes and \$2.6 billion more in consumer taxes, but corporate taxes will be reduced by \$2.2 billion—tough measures for ordinary Canadians but more tax giveaways to the corporate few. The terrible truth is that the Budget hurts the most vulnerable people in Canadian society. I am speaking of the unemployed, families, the poor, native people, women, the young, seniors and the farming community. Yet the most privileged Canadians—the wealthy and large corporations—will actually receive more than what they already have. This is the Conservative Party's concept of fairness—less for those who need it most and more for those who need it least.

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What hope does the Conservative Budget give to the 1.4 million jobless Canadians? The unemployed, particularly Canada's youth, many of whom are still waiting for their first job, are not given any reason for optimism. Indeed, their hopes of finding a job are diminished. Every economist knows that when you combine the tax increases and the spending cuts which are contained in this Budget, we stand to lose close to 50,000 jobs this year and 100,000 jobs next year.

The Minister of Finance attempts to argue that his Budget will be a boon to small business, that that sector will be able to create jobs. The Minister needs a refresher course in Economics 101. The fundamental reason for business to invest and expand is the prospect of being able to sell. This Budget takes over \$500 out of the pockets of the ordinary family. Even Ruben Bellan, a leading Canadian economist, had the following to say about the Government's Budget: "The reduction in buying power will hurt every business in Canada".

The Conservative Government was given a mandate for jobs and fair taxes. Instead, Canadians were presented with a