

Oral Questions

● (1415)

ORAL QUESTION PERIOD

[English]

PENSIONS**REQUEST THAT BUDGET MEASURE BE RESCINDED**

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. In the last 24 hours the Maritime Premiers have said that deindexation is unnecessary, senior citizens have said that they feel betrayed, and numerous social agencies have called for restoration of indexation. Most significantly, the business community, at which the Budget was aimed, has said that deindexation should be stopped and full pensions restored. As the President of the BCNI said, we shouldn't reduce the deficit on the backs of the disadvantaged.

The Prime Minister came into office wanting to build a consensus. He has achieved the consensus, but people are against his order. Will the Prime Minister admit that the Government has made a serious mistake, and immediately withdraw the Budget order cancelling indexation for senior citizens?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in light of his attitude today I think my hon. friend would want to reflect upon a statement he made in the House of Commons on June 29, 1982. At that time he said: "They say we are deindexing down to 5 or 6 per cent for certain tax brackets. Yes, we are doing that".

You deindexed and cut away the value by 6 per cent to elderly citizens, and you have the temerity today to stand up and say exactly the opposite. That is why you are in such bad odour with the Canadian people. They do not trust you and do not believe you precisely because of statements like that.

Some Hon. Members: Oh, oh!

Mr. Mulroney: The business leaders are Canadian citizens and taxpayers. They are entitled to their point of view. We listen to these views, as we do others, and will continue to monitor the situation very carefully.

Some Hon. Members: Hear, hear!

POSITION OF MINISTER OF FINANCE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Prime Minister talks about trust. I do not think a group of organizations representing over one million senior citizens ever said that they felt betrayed by a Liberal Government. That never happened to us, but it is happening to this Government.

Some Hon. Members: Hear, hear!

Mr. Axworthy: We know that the Government will change its mind. The Prime Minister has already said that the change

will have to be made. The only reason they are not making the change now is that they feel they have to defend the Minister of Finance.

If the senior citizens can keep their full old age pensions, we will let the Prime Minister keep the Minister of Finance, and not ask for his resignation. God knows why he would want to keep him. However, would the Prime Minister agree to that proposition—return full pensions to the senior citizens, and he can keep his Minister of Finance?

Right Hon. Brian Mulroney (Prime Minister): The candidate for finance from the Liberal Party is just entering now. I have said many times that no one on this side of the House, or anywhere, takes any joy or pleasure in having to cut back on expenditures to anyone. The fact is that we inherited a situation such that, without action, the social security programs for the elderly and others would be placed in serious jeopardy. We have been acting in what I think is a thoughtful way and, I hope, is a fair way, to try to ensure that the strength of the economy is such that these programs can be sustained and enhanced in the future.

There would be very little disagreement on the statement that the Hon. Minister of Finance is viewed by all Canadians as a thoughtful, competent, and compassionate man.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

● (1420)

EFFECT ON CROSS-SECTION OF CITIZENS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I suggest that the Prime Minister should change his clipping service because he is obviously not getting the right information.

We obviously see that an entire cross-section of Canadians are demanding a change. Perhaps the business community put it best when it said: "If you want to reduce the deficit, do it another way rather than trying to take away the security and future of senior citizens."

Why can the Prime Minister and the Government not understand a basic consensus of all Canadians, and make that change? You have admitted plenty of mistakes in the past. Now is the time to admit a mistake that really affects Canadians.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know that my hon. friend has never been associated with the expression of acknowledgement of a mistake.

I know that this will surprise my hon. friend, but we have never contended that we are without flaws. We have been trying to deal in a straightforward manner, not a perfect manner, with a gravely imperfect situation that we inherited.

May I tell my hon. friend that we are trying to sustain these important social programs through economic growth and development, and the creation of 271,000 new jobs since the