

debt does to the ability to maintain those programs, and especially look at the future for new programs and new demands, when we look at that, then as we create new wealth and get the economy moving I think it is on that basis that we have to really see these programs, in total context.

PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): I say to the Minister, Mr. Speaker, that when he finds that one single group of pensioners who do support the Budget we would appreciate it very much if he would give us the names and bring it to the attention of the House.

May I turn to the Prime Minister, saying that I have had the opportunity of listening to the Prime Minister state on one occasion—and I understand that he has said a similar thing when he has had other opportunities to defend the Budget—that our senior citizens must share in the burden necessary to bring down the deficit. Why ask our senior citizens to help cut the deficit when such extraordinary tax advantages are given to wealthy investors as a result of the capital gains tax exemption?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I may be wrong, but I do not think I ever used the phrase that my right hon. friend has imputed to me. I did indicate that we had inherited a situation which has now placed in grave peril the capacity of the Government to sustain, as it must, the integrity of social programs in the future.

When we pay 30, 40 and 50 per cent, hopefully never, if that were the case, of government revenues to sustain the interest on the debt, then as a country, collectively, the policies of the past, that degree of profligacy, would have compromised the capacity of the Government of Canada to do what it must to provide the elderly and others with the kinds of programs to which they are entitled.

● (1420)

We are trying to re-energize the economy through job creation so we can create the new wealth that we can then use to sustain these social programs. I hope my right hon. friend would agree that the 271,000 new jobs created since last September are a mark of confidence and go a long way toward helping the country back to the full economic recovery which will allow us to build new programs for the elderly.

BUDGET IMPACT ON SENIOR CITIZENS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we are talking about a group of Canadians who have retired, who are no longer earning income and cannot protect themselves against inflation, and who should not be asked to bear their share of the burden of deficit control. Our position is that one does not control the deficit on the backs of the weak and those who cannot protect themselves.

The Prime Minister should know that, as a result of the deindexation provisions, about three-quarters of a million

Canadians who are living just above the poverty line will be brought below the poverty line and, of those three-quarters of a million Canadians, about 230,000 of them are senior citizens. Does the Prime Minister really believe that it is proper for a budgetary measure to throw one-quarter of a million more senior citizens into poverty? Why does he continue to defend the indefensible?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, just to place the matter in context, on June 29, 1982, the Hon. Member for Winnipeg-Fort Garry said the following, as reported at page 18911 of *Hansard*:

They say we are changing the tax system, that we are de-indexing down to 5 per cent or 6 per cent for certain tax brackets and changing the pensions and some of the allowances. Yes, we are doing that. We are doing it because we believe there are enough Canadians who feel compassion and concern for their fellow Canadians who are out of work.

That was the position of the Liberal Party. We have indicated that we will monitor events very, very carefully. Our proposal would have a 3 per cent effect, while the proposal brought forward by the Liberals deindexed pensions and other benefits by 6 per cent, because inflation was at almost 11 per cent. The Right Hon. Member has the temerity to say in the House of Commons today exactly the opposite of what his Party said in the past. He should be ashamed for taking that kind of position.

Mr. Axworthy: Mr. Speaker, I want to tell the Prime Minister that Liberal Members are not ashamed of telling the truth, but that is obviously not the case with Tory Members. The fact of the matter is—

Some Hon. Members: Oh, oh!

Mr. Axworthy: It is about time the Prime Minister learned the same lesson. At that time we doubled indexation of GIS and did not take \$860 million out of the pockets of the poorest Canadians, the senior citizens.

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THE BUDGET

CONCEPT OF FAIRNESS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): My question is directed to the Minister of National Health and Welfare, who has said that he has spoken to senior citizens. I spoke to the same group of senior citizens in Manitoba but I found that they had different points of view from the ones he was expressing. They want to know where the fairness is. They want to know why it is that senior citizens who are living at the poverty line will be losing \$860 million. They want to know how it is fair that they will lose that money at the same time the Government is giving over \$650 million worth of benefits to those who can invest in RRSPs. Why is it fair that there can be a full indexation of RRSPs for those who earn up to \$80,000 per year, while there is no full indexation for a senior citizen who lives at the poverty line?