

Old Age Security Act (No. 2)

people of our society who are the most vulnerable to increased costs.

I want to make it very clear that in my view the Liberal Government and its Conservative allies should hang their heads in shame. They are attacking the victims of inflation in an inequitable and unfair way. I say the Liberal Government and its Conservative allies, because this Bill flows directly from Bill C-124 which the Conservative Party supported vigorously last summer. Let there be no mistake, Mr. Speaker, Bill C-124 and the accompanying documents were very explicit in the reference to pensions and the fact that there would be cuts in real terms, in old age pensions as well as pensions granted to retired public servants, retired members of the RCMP and retired members of the Canadian Armed Forces.

No one should have been surprised, of course. Indeed, the point was made on many occasions by Members of the New Democratic Party during debate on Bill C-124 that Conservatives and Liberals together were supporting legislation which would ultimately lead to cuts in old age pensions. I can assure you, Mr. Speaker, that every old age pensioner in the constituency of Burnaby is under no illusion about the fact that it was the Liberals and Conservatives who laid the ground work for Bill C-131.

The Hon. Member for Winnipeg North Centre (Mr. Knowles), who has fought for many years for improved pensions for all Canadians, has expressed his anger and outrage at the fact that once again the Government attacks old age pensioners and erodes the protection that he and Members of this Party fought for over the years.

The effect of this Bill will be a decline in the standard of living of literally thousands and thousands of elderly people across the country. Some one million Canadians are affected, half of them women. That attack flows directly from the Liberal-Conservative Bill C-124, the six and five guidelines. It is fundamentally unfair by virtue of the fact that the total savings effected are something in the order of \$105 million. What is so objectionable about the Bill is that there is no fairness, no equity, no justice whatsoever in the manner in which this sacrifice is demanded.

I could give a number of examples but because my time is limited I will only give a couple. Recently the taxation statistics were released by the federal Government. They show that the Income Tax Act is so riddled with loopholes that over 2,000 people in Canada with incomes of over \$50,000 per year paid not one penny in income tax, and over 150 Canadians with incomes over \$200,000 per year paid not a penny in income tax.

What kind of nerve does the Government and its Conservative allies have to ask old age pensioners to sacrifice their standard of living without asking for some kind of sacrifice from the wealthiest people—those who make over \$50,000 and those who make over \$200,000 per year and who are not being asked to make any sacrifice? They do not pay any taxes whatsoever.

The Conservative Party has been silent when there have been calls for tax reform to close the loopholes and ensure an element of equity. As Carter said back in the 1960s, "A buck is a buck is a buck" and should be taxed as such.

• (1710)

As well I would note that at the same time as the Government is proposing a cut in real terms in old age pensions for thousands of Canadians, it is proposing to spend billions and billions of dollars on purchasing fighter aircraft, F-18s. What kind of priorities does the Government have when it would cut the standard of living of old age pensioners and spend billions of dollars on weapons of destruction which are not needed? Surely these kinds of priorities cannot be defended either by the Liberal Government or by its Conservative allies.

The effect of this Bill is like a direct tax on those who are over 65 years of age in society. If anyone were to suggest that it be done directly, that indeed there be a tax on some one million Canadians who are entitled to the old age pension but not the GIS, I am sure there would be a justifiable cry of anger across the country. But because it is being done in this underhanded way, perhaps it is not quite as clear. I assure you, Mr. Speaker, that we in this Party will be making very clear to old age pensioners from one end of the country to the other exactly what is the effect of this Bill.

The fact of the matter is that it reduces incomes by more than \$300 over the next two years for the average old age pensioner and, just as important, it reduces the base for future increases of the old age pension. This is a permanent cut in the standard of living of old age pensioners. It has been argued that those affected are those who can afford to bear the burden because they are not receiving the GIS. As the National Council of Welfare pointed out, over 100,000 poor and near-poor elderly Canadians will have their incomes reduced as a result of the limitation on indexation of the Old Age Security. These are the people who cannot afford this cut in their standard of living.

There is no control whatsoever on prices. As one of my constituents pointed out to me, it would be one thing to ask old age pensioners to take a cut in their standard of living if at the same time there was an assurance that the prices of the goods and services they need would be cut. That is not the case. While old age pensions are being cut in real terms, is there any control whatsoever, for example, on the price of food, on the price of clothing, on energy prices, on the price of transportation or housing? These are the costs which most directly affect old age pensioners. The federal Government and its Conservative allies are doing nothing whatsoever to control these increases in costs.

It may be that because there are no organized lobbies such as those of the powerful and rich Canadian Bankers' Association and others, that perhaps because there is not a vocal or outspoken lobby, the Government thinks it can get away with it. Once again I assure all Members on the Government side of the House who support this legislation that their voters will be