

*Family Allowances Act, 1973*

**The Acting Speaker (Mr. Blaker):** It being six o'clock and the Hon. Member for Mission-Port Moody (Mr. Rose) requiring two hours in order to reincarnate himself, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

**AFTER RECESS**

The House resumed at 8 p.m.

**Mr. Deputy Speaker:** When the House rose at 6 p.m., the Hon. Member for Mission-Port Moody (Mr. Rose) had the floor.

**Mr. Rose:** Mr. Speaker, I am pleased to rise, again after being interrupted by the dinner hour, to the thunderous applause of my caucus behind me.

What I was attempting to say earlier is that I agree that there has not been a massive outcry against the deindexing of the various pensions, perhaps with the exception of the Public Service pensions. I was advancing the argument that I believe the outcry did not occur for two reasons. First, parents or pensioners have not yet realized what has happened to them and therefore they are unaware of the consequences. Second, I believe that there has been a somewhat powerful and significant lobby operating against indexation in Canada which has fostered the belief that indexing is somehow unclean or perhaps even mildly immoral.

I think that the savage attacks on the indexed pension plans by open-line hosts, employers and others, are shoddy and fraudulent. I believe that full indexation is crucial because without it our incomes would fall in proportion to the inflation rate. I first learned about the word indexing from Robert Stanfield when he was the Leader of the Tory Party. He recognized, as did his Party, that unless indexation was provided each year, incomes would fall in proportion to the inflation rate, which is unfair. Simply put, without indexing, the dollar that I or my constituent received last year is really only worth 90 cents this year since the inflation rate is running at approximately 10 per cent. In five short years, with the value of a person's dollar being reduced by 10 per cent, the dollar would only be worth 65 cents. This means that the dollar is shrinking to the point where people earning the same income fail to receive the same purchasing power. Therefore, I am opposed to deindexing on a matter of principle.

Indexation is the only way one can protect oneself from the ravages of inflation. That is why I and my Party are absolutely opposed to the Government's capping proposals under Bills C-131, C-132 and C-133.

The main argument against indexed pensions seems to stem from the opinion that while Public Service pensions, whether federal, provincial or through Crown Corporations pensions, are indexed, the majority of private pension plans are not. I suggest that this is no valid argument for being against indexing. First, approximately half of working Canadians do not have any pension other than the Canada Pension Plan or the

old age pension. The majority of the other half of working Canadians are working in the private sector and are denied indexed pensions. Rather than wiping out indexing in the public sector, I believe that Parliament should be making a pronounced effort to require indexing to apply in the private plans. I do not believe in the logic that, since indexation exists in the public sector and not in the private sector, it should be eliminated from the public sector. Instead, we should be encouraging indexation in the private sector. This is where the problem presents itself. Many private pension plans exist on an actuarial assumption that if one spends his entire working life investing in the high cost dollars, due to inflation, one should happily retire and be paid back, in cheap dollars. We do not believe that that is acceptable or equitable.

I do not want to involve you in this, Mr. Speaker, but I can see that you accept the logic of my argument. If I cannot convince any of the Members across the aisle, I am quite certain that I have reached you and the general public. I am pleased that you have nodded sagely in this matter, as you do in your rulings on many occasions.

I am concerned that this Family Allowance legislation is not an isolated example. The Family Allowance legislation, Bill C-132, which we are debating tonight, is only one in a package which includes the deindexation to 6 per cent of Old Age Security, the Family Allowance and the public service pension.

The first and probably least publicized Bill, C-131, deals with people on old age pensions, such as my mother. My mother does not receive the supplement.

**Mr. Benjamin:** Or the Family Allowance.

**Mr. Rose:** My friend says nor the Family Allowance, but that is irrelevant. The full impact of the 6 per cent limitation on old age pensions next year has not hit pensioners yet. In 1984, the pension of senior citizens will be cut back by \$77. The following year it could be \$219. This is a total cutback of approximately \$300.

When we consider that the base pension has been diminished, when indexation is reintroduced following this two-year period—there is no assurance that it will happen—we will see that senior citizens will have lost a total of approximately \$1,000 per family. Of the approximately 2 million people on Old Age Security, over half receive the supplement. In this light, one can readily appreciate that this program will cause great difficulties for close to a million people, and not just a few thousand.

Let me return to the Family Allowance legislation. The Family Allowances will be given the same treatment as old age pensions. There has been some kite-flying that there will not be a means test openly applied to the universal Family Allowance; it will continue to be paid to everyone who has children, regardless of income. However, what are the results of capping the increases in Family Allowances in 1983 and 1984? If you face an increase in the cost of shoes for your children of \$10, you will receive \$6 to help meet that cost. For many people who depend almost entirely on Family Allowance—not