

Old Age Security Act (No. 2)

let met say that we on this side know that the Government must begin to balance budgets. There are only two ways of doing this. I remember many people coming before the Standing Committee on Public Accounts and presenting ways of balancing budgets, eliminating deficits or whatever. There are only two ways. One is to restrain expenditures and the other is to increase revenues. The policies of the Government opposite have given us neither of those two things. They have given us reduced revenues and increased expenditures. How have they done this?

They have gone through and increased estimates all the way along the line, normally far in excess of any reasonable amounts which might have been expected because of inflationary gains or anything like that. Then, because of their other economic policies, they have thrown 1.3 million Canadians out of work. Not only do these Canadians cease to be taxpayers contributing to the general revenues of the country, but they become a serious drain, through unemployment insurance, which has amounted so far this year to \$8 billion. That is not a way of balancing budgets.

Now, having succeeded in getting the budgets so far out of whack that there will probably be a \$26 billion deficit this year, not counting unemployment insurance payouts, the Government decided to practise more restraint through this Bill by reducing the increase due to old age pensioners. I choose carefully the words—*increase due to them*. Generally speaking, these Canadian pensioners have been through one depression. Some of them might say that they have been through two or three. They have been through more than one war. Some might have even been through four wars. They have contributed throughout their whole lives to this country. For the most part—and I am not speaking of the well-to-do ones—they are depending on the country now for their very existence through this relatively meagre old age pension. To take away the ability of the pensioners of Canada to keep up is a reprehensible move by the Government.

It is not as if there were no other way to solve the problems of Government. In the recent budget adjustments—and I cannot remember which of the last three since none of them has been fully brought into effect—there was a proposal to reduce the highest marginal rates of personal income tax. From a certain economic or business point of view that is commendable. It is a way of creating more capital pools, which are very important for creating jobs in Canada. It is a better way for the Government to get more tax revenues, because higher tax rates penalize producers and it encourages things like underground economies. If by a simple adjustment they increased the tax rates, not reduced them as much as they propose now, they could have acquired the extra revenue from general taxpayers—and this is a very small amount about which I am talking—including higher income pensioners. I am sure they would not mind contributing a little of their highest-end income in order to save the most needy of our pensioners from this reduction in their purchasing power.

What I am saying is that there were many ways in which the Government could have attempted to balance budgets. We on

this side support its attempts at restraint. This is why we supported Bill C-124. We could see that the six and five program had its attractions and in many ways was a necessary evil. However, to try to balance budgets on the backs of pensioners who have been through wars and depressions and are at the mercy of the Government now for some degree of dignity and well-being in their old age, is a measure which we deplore and with which we do not agree. This is why we have spoken consistently against this unfair and unnecessary attack on Canadian senior citizens.

• (1600)

Mr. Douglas Roche (Edmonton South): Mr. Speaker, in rising to speak at report stage of Bill C-131 and particularly to give support to the amendment introduced by the Hon. Member for Okanagan North (Mr. Dantzer), I want to pay special tribute to his leadership on the entire question of pensions which has enabled the House to take a good look at all the implications of the changing demographic scene in Canada. This has now led to a special study in which my colleague, the Hon. Member for Okanagan North, will play a very important role.

I am struck once more by how the Government want only breaks its commitments in the name of six and five. Just as in the case of Public Service pensions with Bill C-133, the Government is indulging in the gamesmanship of six and five to breach its obligations arbitrarily and unilaterally. It was nearly nine months ago, on April 20, 1982, that the Minister of National Health and Welfare (Miss Bégin) told the conference on industrial relations:

We have no intention of changing the "rules of the game". We want to maintain the indexing of Old Age Security Pension and Supplement every three months, and to retain the universality of the basic OAS pension.

Now I ask you, Mr. Speaker, what about the question of credibility of the Minister of National Health and Welfare in the light of that statement? What about the question of the credibility of the Government with senior citizens who only have us on this side of the House to raise their case that inflation and the ravages of inflation must not be fought on the backs of people who are the most defenceless?

This present about face reminds one of 1974 with the "Zap, you're frozen" statement of the Prime Minister (Mr. Trudeau) or of the 1980 pledge of cheaper energy prices. We see now how hollow those promises were. Credibility is surely the most essential bond between a Government and its electorate, especially that part of the electorate that is the most vulnerable, our senior citizens. To the very limited extent that this Liberal Government maintains any credibility with the Canadian people, then Bill C-131 damages it still further.

My second major objection to this piece of legislation now before us at report stage is that it fights inflation on the backs of those who are least able to bear it. It is true that the Government is compensating the least advantaged through the Guaranteed Income Supplement, which brings their income to the level that it would have been otherwise. But that does not