

*Old Age Security Act (No. 2)*

they would even deserve much more than what they are getting now if we keep in mind the fact that among Canadians they are the ones who did make it possible for our economy to flourish very rapidly. However, what we must not forget is the fact that—and I am talking about the basic element of the entire issue—if we manage to reduce the rate of inflation to 6 and 5 per cent and even to bring it down to zero, elderly people will be the first to benefit because, as the previous speaker said a moment ago, they have worked hard throughout their active years, they have faced their responsibilities and they were able to set a few dollars aside for their retirement. It was extremely difficult for them to save that money during those long harsh years, and they now find that inflation is robbing them of what little savings they do have. Senior citizens whom I have met in my own constituency and during my travels all tell me the same thing: Do try and get rid of inflation and we shall be able to live with what the Government gives us and, in some cases, with what we have saved. As for those who have no savings and no investments, they say: We shall get by with the Old Age Security and the Income Supplement for senior citizens.

In fact, what these people want is to be able to get full value for their money. This is what they want. When we speak about the six and five program for senior citizens, since inflation is now going down and will soon be under six and five per cent then, everyone will benefit, starting with the senior citizens.

I listened to the Hon. Member for Edmonton West (Mr. Lambert) when he spoke earlier, and he gave the impression that the Government was voluntarily trying to treat senior citizens unfairly with its six and five program. There is no discrimination, Mr. Speaker, since, under the six and five program, those who do not have a reasonable guaranteed income will receive a fully indexed income supplement. Therefore, if the Hon. Member for Edmonton West wants to speak about discrimination, I must point out that taxwise the program applies differently to wealthy people and to those with lower incomes, because there are two formulae. This is the purpose of the program, to have formulae which are fair for everyone. It would be wrong to treat everyone in the same way. Everyone must be treated on the basis of what they have or do not have. In this regard, I believe that the House would agree that the six and five program has been adjusted on the basis of each individual's responsibilities and income. This is an important consideration in this debate, but the public is being asked to believe that the Government has been insensitive to the needs of senior citizens.

As I understand it, Mr. Speaker, the new rules allow us to come back to this during the question period later on. So if there are any questions later, there will be no problem. Perhaps there could be a debate on the subject. Once more, however, I want to make it clear that the Government has been very sensitive to the needs of senior citizens. I agree, the formula may not be perfect, since there is no such thing as a perfect situation or a perfect regulation. However, it was necessary to find a formula that could be adapted as closely as

possible to the needs of this group, in much the same way this was done by the Government for our veterans, considering their very specific needs. As far as families are concerned, people with children receive special consideration in the form of the child tax credit, and as a result, the Government has given people who are particularly burdened with responsibilities as a result of inflation, the mechanisms that will help them to help themselves. Now, is it the best formula? Is it the ideal formula? I can only say that it is probably the best formula in the circumstances. If we compare our situation with what is happening in the United States, anyone can see that the Canadian Government has probably taken the most progressive approach in its efforts to control inflation, an approach that is sensitive, unlike other countries which are taking extremely drastic action with severe consequences for everyone concerned. Only yesterday, the President of the United States announced he was reducing the deficit by eliminating as many social programs as possible.

The Member for Edmonton West pointed out that when the Progressive Conservatives supported the 6 and 5 policy, it was on the understanding that it would apply only to salaries. In fact, we have applied the program to salaries, and that as far as senior citizens, mothers, people with families and veterans are concerned, the Department has given everyone an equal share of the burden. That is an important part of bringing down inflation to 6 and 5, which should not be overlooked.

Mr. Speaker, there is one last point I should like to make. It has to do with the fact that if all those measures enable us to reduce inflation down to nothing—and I am convinced we will be successful—the six and five program will lapse by itself. But still, it will have been instrumental in our fight against that cancerous growth which, whether we like it or not, is the root of most of our current problems in Canada. Canadians have been asking their Government and their Members of Parliament to find a truly acceptable solution in certain fields and to take compulsory action in others, with a view to shoring up our economy.

That is the price we have to pay if we are to set the country back on its proper course, as all Canadians want, including younger people. Seen in that light, the six and five program does offer an interesting challenge because, as the Minister of Finance (Mr. Lalonde) explained in his speech, on October 27, 1982, the money saved will be reinvested to create jobs. The Minister of Finance did say that \$1 billion would be earmarked for creating jobs. Had the six and five program been launched only as a means to reduce public expenditures without any intention of using that extra money to create jobs, it might not be as good. But, in short, Mr. Speaker, the program is good because its impact can be felt on two fronts: it will enable us to strengthen the economy by reducing inflation and to free some funds to create jobs for young Canadians. If they stand to benefit, the program has to be very good as well for senior citizens and parents because those people are urging