

Old Age Security Act (No. 2)

We should talk about another critical period in our pension scheme which will occur in approximately the year 2003 when our Canada Pension Plan will be bankrupt. This should be of great interest to people who are in their thirties and forties since they will be turning 65 around that time. These are all matters which should be discussed in the House of Commons instead of talking about reducing the purchasing power of those people who can least afford it.

Bill C-131 is bad legislation. It taxes the poor in a regressive manner and it taxes women unduly. It does nothing to stop inflation and breaks the great tradition of a contract which has existed between the generations in this country. We are breaking our contract with our senior citizens to look after them when they are older. This is pointless legislation which I ask the Minister to withdraw so that the House may consider more important matters.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I feel rather hesitant to rise today to speak to Bill C-131. My colleagues and I consider it to be a disgrace that Members of Parliament are rising in the few days before Christmas, 1982 to attack those people who have essentially been the victims of inflation. They are the senior citizens of our country. They are the victims as a result of the introduction of a Bill which will limit the indexation of Old Age Security to 6 per cent in 1983 and 5 per cent in 1984.

I point out that this reduction will only be experienced by those who receive the Old Age Security as opposed to those who receive both the Old Age Security and the Guaranteed Income Supplement. While pensioners will receive an increase in January of 1983, it will be less than what they would normally receive. The senior citizens of Canada will lose out in two respects. Those receiving the old age pension will have reduced incomes in 1983 and 1984 by a collective amount of approximately \$300. This is assuming that inflation will remain approximately at the present rate or somewhat lower. Not only will senior citizens lose that \$300 in the next two years, but the result of this legislation will have a snowballing effect for years to come.

While full indexation is supposed to return after 1984, there is no reason to believe that this will happen other than what we have heard from Hon. Members opposite that this is the Government's intention. We have experienced too often how the Government's intention can change. However, if full indexation does return in two years, the base upon which that indexation will accumulate will be less as a result of this legislation. Consequently, senior citizens in Canada will be receiving less income than they would normally receive for the rest of their lives.

● (1550)

This legislation, which will take money out of the hands of senior citizens of Canada, will directly affect more than a million senior citizens, and far more than half of those will be women. They will have their disposable incomes reduced as a result of the passing of Bill C-131. I have just done some calculations, assuming that inflation rates for Canada will be in the 10 per cent-9 per cent range over the next three or four years. If that is the case, more than a million senior citizens in

Canada will lose nearly \$1,000 each over the next four-year period.

I listened with interest as Members of the Government said that they had not received much mail from senior citizens on this measure. They have not been subjected to a lot of lobbying and so on. They have not heard an outcry across the country. I think there is a good reason for that. First of all, I think we all recognize that senior citizens are not well organized, as are other groups in society, such as the Canadian Rubbermakers Association, the Canadian Manufacturers' Association, the Canadian Bankers Association, the Canadian Chamber of Commerce and the Canadian Federation of Independent Business. I could go on and on about very effective organizations that lobby Members of the House on a regular basis to keep them abreast of their concerns; but the senior citizens of Canada do not have that lobbying opportunity. Consequently we have not been hearing the orchestrated outcries that we so often hear. We have not received the strong delegations to Ottawa, raising the concerns that senior citizens obviously have regarding the decreased incomes that they will be experiencing. Also I suspect that senior citizens are rather patient people. They have had hard times before. They have gone through two world wars. They have gone through the depression years. They are patient. I suspect that they find it difficult to believe that the Government of Canada will actually bring in legislation that will reduce their incomes.

I believe that most senior citizens, if we were to sit down and have an informal chat, would find it difficult to believe during these difficult times—and I think we have to admit that this country is poised on the brink of a depression, and in some areas of this country we are well into depression-like conditions—that the Government is going to reduce their incomes. I suspect that many just do not believe that it is happening. When they receive their cheques for January, 1983 and they notice there is a slight increase in those cheques, they will think that indeed their fears were unfounded. But if they look carefully at their cheques they will find that although they receive a cheque in January for \$249.23, had this Bill not been introduced, had this deindexing not occurred, they would have received a cheque for \$251.73, marginally larger.

I think it begs the question: Why is the Government introducing this legislation? Why is the Government introducing the six and five legislation that will apply to senior citizens? I suppose one could assume that the Government must be blaming senior citizens for being one of the causes of inflation. It must be saying: "These people must be curtailed in their spending". Presumably that is what the six and five program is all about, to curtail spending, to reduce incomes so people will purchase less. So the Government has said: "We have identified one of the culprits of inflation; they are the senior citizens of Canada and they must be restricted".

This raises some interesting questions because just a few days ago we had tabled in the House of Commons by the Minister of National Health and Welfare (Miss Bégin) a