

Immigration. Since last night's budget shows an \$800 million increase in the take from unemployment insurance premiums next year, can the minister tell the House how large an increase he is contemplating in this hidden tax which the Minister of Finance failed to mention last night?

Hon. Lloyd Axworthy (Minister of Employment and Immigration): Madam Speaker, as the Right Hon. Leader of the Opposition knows, the standard practice is for the assessment of any change in premium rates to be made after the third quarter of the year when we can more accurately determine what the exact numbers will be. The figures provided in the budget last night are a forecast. We are prepared to continue the conventional practice and to look at what the reality is in the third quarter, at which time I am sure the Minister of Finance will be glad to tell the Leader of the Opposition and others what changes might have to be made in the premium rate for unemployment insurance.

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SOCIAL SECURITY

EFFECT OF BUDGET ON OLD AGE PENSION BENEFITS

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I too want to direct a question to the Minister of Finance. The meanest move in his budget last night was to reduce sharply the indexing of old age security for those who do not receive the supplement. In other words, that means that an elderly person who receives just over \$8,000 a year in total income—which is what the minister receives every month—will receive \$100 less next year, thanks to the minister. Is this what the minister interprets as the urgent pension reform about which he and the Minister of National Health and Welfare have been talking so much?

Some hon. Members: Hear, hear!

● (1425)

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, again, obviously, the hon. member is misleading the House by saying that next year recipients of old age security will get less. They will get more. Obviously they will get more. When the hon. lady understands that, perhaps she will be able to put a proper question.

Miss MacDonald: Madam Speaker, there was a time when the Minister of Finance would not have moved against the old age pensioners of this country.

REPORTED STATEMENT BY MINISTER OF NATIONAL HEALTH AND WELFARE

Hon. Flora MacDonald (Kingston and the Islands): Madam Speaker, I want to direct my supplementary question to the Minister of National Health and Welfare who last night was quoted as saying, concerning this cutback, "I can live with it and they", the pensioners "can all live with it as well." It is

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easy to live with when you are making \$100,000 per year, but it is not so easy to live with when you are making \$8,000 or \$9,000.

Some hon. Members: Hear, hear!

Miss MacDonald: I want to ask the minister what she means by saying, "They can live with it." What kind of Liberal arrogance is this? Is this the new Liberal approach to social policy?

Hon. Monique Bégin (Minister of National Health and Welfare): Madam Speaker, what I tried to express last night, and which I will reiterate today, is that all Canadians, in times of crisis, are ready to make serious sacrifices provided it makes sense to them, when it means creating jobs for their own children on the one hand, and providing for those most in need by making sure they are fully protected, on the other hand. That is what the budget of last night does. The pensioners who get only the basic OAS, which means 45 per cent of over two million pensioners, because they are not in need, this month will get \$239 as I announced a few days ago, but next January will get \$249 instead of \$251.

Some hon. Members: Oh, oh!

Miss Bégin: I want to repeat, because of the seriousness of family budgeting, they will get \$239 this month and next January they will get \$249 instead of \$251.

Mr. Broadbent: Madam Speaker, if the minister can have pride in that slight increase it just proves that a Liberal in this country is reduced to the point where he or she will take pride in anything.

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LABOUR CONDITIONS

EFFECT OF BUDGET ON UNEMPLOYMENT

Hon. Edward Broadbent (Oshawa): Madam Speaker, my question is also directed to the Minister of Finance. Last night we had a no hope budget, with reduced pensions, reduced family allowances and taxes increased by more than \$1 billion. If the backbenchers opposite will be quiet I would like to put my question to the Minister of Finance. Considering that all of this will take money out of the economy and lead to more bankruptcies, and more losses of jobs, will the minister confirm what one of his senior officials said during the lockup last night, namely, that unemployment in Canada, which is already at a disastrous high level, will remain virtually unchanged throughout this year?

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): Madam Speaker, I think that, first of all, I have to appeal to the hon. member's sense of honesty and ask him to admit that when he states that the old age security and family allowances will be reduced next year, he is not making a factual statement. The old age security and family