

Old Age Security Act (No. 2)

fight, and we will to our dying breath, the injustice of this legislation, which fights our present economic problems on the backs of the people who can least afford it, namely old age pensioners in Canada.

Some Hon. Members: Hear, hear!

Mr. Campbell (Cardigan): I rise on a point of order, Mr. Speaker. I know the Hon. Member would not want to mislead the House in his comments with reference to veterans, but I am sure he is aware that benefits through the Department of Veterans Affairs to veterans are not affected by the six and five program; that in fact, as of January 1, benefits increased by 11.5 per cent—

The Acting Speaker (Mr. Corbin): Order. That is not a point of order; that is a point of debate.

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in addressing Bill C-131, I may point out that we are discussing the dire consequences of a policy set by the present Government some fourteen years ago.

You will remember that at the time, inflation was already a problem, and I recall quite distinctly the words spoken by the Right Hon. Prime Minister (Mr. Trudeau), who boasted here in the House that: We have wrestled inflation to the ground. Those were his very words. However, we also know that it was not true, and that the following year, the Government tabled a motion in the House to adjust Old Age Security pensions if inflation were to exceed 4 per cent. Because the Government failed to act then, in 1971 it brought in full indexing of Old Age Security pensions. And even then, nothing had been done to wipe out inflation. All the Government did was add another cushion to lessen the shock of inflation. That is all very well, and it could go on for ever, but today, we have a situation where the Government has decided to impose its 6 and 5 program. For the edification of the young New Democratic Party Member who has just left the House, the 6 and 5 program applies to salaries in the Public Service, some Crown corporations and a few other corporations and to various individuals, but it does not affect veterans' pensions nor the Guaranteed Income Supplement. Today—and I think it is rather peculiar, although the people concerned are recipients—people receiving a special allowance as an income supplement, since they are going to lose about \$35 a month, will receive compensation. What they lose on their Old Age Security pension, they get back in the form of a supplement. So they get indexing to cover inflation, and that seems to be the privileged class under the Old Age Security Act, namely, people whose individual income is less than \$8,900. I know there is a certain percentage of people in this situation, but honestly, Mr. Speaker, what about people, especially in Quebec, in the country, who have worked all their lives and saved up and have made modest investments which today provide them with a retirement income. Everywhere we are encouraging people to save for their retirement, because the State—oh, I know that

the New Democratic Party and many members of the Liberal Party expect Canadians, upon reaching the age of 65, to go to the Government authorities and say: Look here, I have no money and no possessions and I have spent my last cent. Now it is up to you. No, that is not the Canadian way. The vast majority of our senior citizens have additional sources of income. They are not living in abject poverty, but the Government seems to be favouring those who are. People who have saved up are being told: Look here, you are going to be penalized for this, whether you are a public servant or a former bank clerk or a teacher or whatever, you have savings in the bank, so we are going to take away your savings. Furthermore, Mr. Speaker, the 6 and 5 is being imposed twice, since under the provisions of Bill C-139, indexing of the personal deduction will be capped at 6 per cent this year and 5 per cent next year. The deduction was introduced by Mr. Turner in 1973, after the 1972 election when he said that Mr. Stanfield's policies would bring this country to bankruptcy. If that is the case, he has certainly benefited from this program. Pensioners, however, who have been able to provide for a modest income by dint of saving carefully, are twice penalized. I think this is extremely unfair, and to me, it is certainly not part of the 6 and 5 program we supported in July. The program we supported then applied to salaries and not to pensions or family allowances. However, in other areas the Government is ignoring its own 6 and 5 policy. Some people are being given fantastic raises well above the 6 and 5 levels. That is why my colleagues and I are opposed to the 6 and 5 as it applies to indexing of Old Age Security pensions. Needless to say, Mr. Speaker, we shall vote against this Bill.

• (1130)

Mr. André Maltais (Parliamentary Secretary to Minister of Industry, Trade and Commerce and Minister of Regional Economic Expansion): Mr. Speaker, I did appreciate the remarks of the Hon. Member who has just spoken concerning the six and five policy. I would say that each and every one of us agrees with the basic suggestion that the rate of inflation must be reduced at all costs and that the Government had to come up with a policy designed to rid ourselves of that cancerous growth which is undermining our economy as well as those of the North American continent and of other countries which are traditionally oriented towards expansion and contemporary economic development.

Unfortunately, Mr. Speaker, in this debate on the six and five per cent program, it is often too easy to make demagogic speeches and keep on asking who should have full indexation, who should have capped indexation, and we might proceed in stages and wonder whether it is fair to anyone. In my opinion, the underlying principle of this whole issue is to devise a formula whereby the full load will be shared by all Canadians.

It stands to reason of course that senior citizens would deserve full indexation. As I said before in this House, perhaps