

*Oral Questions*

**Mr. Wilson (Etobicoke Centre):** In the Budget I said that those reductions would occur as \$50 million a year in 1985-86 and in 1986-87. The Minister of Agriculture will be announcing the effects of the reductions in due course.

## SIZE OF REDUCTION

**Mr. Stan J. Hovdebo (Prince Albert):** Mr. Speaker, the \$50 million reduction in the Budget is only a small part of the reduction which will affect farmers. Could the Minister indicate what the total extraction of money from farmers will be, with the \$33 million recovery program, the reduction in insurance premiums, less funds for the farm credit program, higher freight rates, and the grain commission recovery? What will be the total extraction from the farming community through the Budget?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I think the Member has got his decimal points or his signs wrong. Since we have come into power the impact of the measures which have been taken by the Government have all been positive and have benefited the farming community.

**Some Hon. Members:** Hear, hear!

**Mr. Wilson (Etobicoke Centre):** There is a \$150 million fuel tax rebate. There is a drop in the Farm Credit Corporation long-term interest rate, from 16.25 per cent to 13.5 per cent. There is a change in metric. There is a change in the capital gains exemption, which the farmers will be able to take advantage of right away. In addition to that interest rates have dropped about three percentage points since we have taken office, and that has also helped the farming community. I do not understand what the Hon. member is getting at. We have been very generous toward the farming community.

**Some Hon. Members:** Hear, hear!

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## PENSIONS

## STATEMENT BY SPOKESPERSON FOR SENIOR CITIZENS

**Hon. Herb Gray (Windsor West):** Mr. Speaker, my question is directed to the Minister of Finance. A few minutes ago he told the House that he had spoken to senior citizens and that they support what he has done in the Budget, in reducing old age pensions by amounts up to \$690 a year by 1990. Can he explain the statement of Jean Woodsworth, head of the Ontario division of Canadian Pensioners Concerned, representing about 10,000 seniors in Ontario, when she said:

It's a shocking thing for the Government to do, . . . It takes money away from the very poor.

Further she said:

—senior groups across Ontario petitioned the federal Government to maintain full indexing.

To which seniors did the Minister talk? Surely not the spokespersons for the tens of thousands of elderly people across

the country. Will he come clean and tell the House why he has not listened to the spokespersons of the senior citizens, and why he is cutting their pensions?

**Hon. Michael Wilson (Minister of Finance):** Mr. Speaker, I would expect, as would the Hon. Member, that the spokespersons for the senior citizens would take the position which they took. I can assure him that senior citizens are very encouraged because we have maintained full indexation on the GIS. They acknowledge that some change has been made in the modified indexation of the OAS, but, as I have said before, they recognize the importance of getting the deficit down because they know that deficit leads to inflation. If there is one thing which senior citizens understand, it is inflation, and the levels of inflation which the previous Government brought in.

**Some Hon. Members:** Hear, hear!

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## CLERK OF PETITIONS' REPORTS

**Mr. Speaker:** I have the honour to inform the House that two petitions were presented by the Hon. Member for Vancouver-Kingsway (Mr. Waddell) on Tuesday, May 28, 1985. The first petition, concerning jobs for youth at gas stations, meets the requirements of the Standing Orders as to form.

The second petition which was presented by the Hon. Member for Vancouver-Kingsway (Mr. Waddell), concerning assistance to the Tigreans in Ethiopia, does not meet the requirements of the Standing Orders as to form.

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## PRIVILEGE

## ALLEGED DAMAGING REMARK OF PRIME MINISTER

**Hon. Bob Kaplan (York Centre):** Mr. Speaker, I have a question of privilege, of which I gave you notice, that relates to a letter which the Prime Minister (Mr. Mulroney) sent to me this morning, to which he referred in Question Period as a letter of apology. The letter refers to false accusations which he made yesterday that I had engaged in an authorization of a police procedure which the Prime Minister considered reprehensible.

To come directly to the question of privilege, the Prime Minister did not satisfactorily and completely retract today the remarks which he made yesterday in the House, which results in damaging my reputation and in creating the impression that I have engaged in some form of reprehensible conduct.

Yesterday, the Prime Minister alleged that I had directly authorized a payment of \$100,000 to be made to Clifford Olson. That is an authorization which the Prime Minister considered reprehensible. Today, he withdrew in his letter the remark that I had authorized it, but he continued to assert that I was responsible for it.

**Mr. Hnatyshyn:** Order.