

this, of course, will be reflected in higher old age security pensions. Still, the Government is committed to honour general agreements of \$1.6 billion with the Province of Quebec, and that is bound to have an impact on the life of Quebecers.

Among other things, Mr. Speaker, over two years the Government will pay out \$550 million in spouse's allowances to senior citizens. But that is not enough for the Opposition. It is never enough, Mr. Speaker, but who else but them so mis-managed everything in the past 20 years that, after such waste by the Liberals, we now pay \$3 million an hour in interest alone? All I can say is that our Government must curb the rising deficit while moderately fulfilling its election promises. We will certainly honour our commitments before the end of our mandate. I have a question for my colleague. In the newspaper *La Presse*, definitely not a gossip tabloid, economic affairs columnist Frédéric Wagnière wrote this before the Budget was tabled:

Economic growth is stymied by a lack of investments, true enough, but investments are in turn discouraged by high interest rates and the deficit's voracity on capital markets. A higher deficit just might create temporary jobs but, unless something changes in the pattern of public outlays, additional expenditures would not produce permanent investments. To remedy the situation, the Federal Government must reduce the deficit, to encourage companies to invest and take advantage of the drop in interest rates.

Mr. Speaker, in eight months the situation in this country has proved that controlling Government spending is the most promising factor in creating jobs—200,000 new jobs.

I would like to ask the Hon. Member what she thinks of the journalist who was urging the Government before the Budget was brought down to control its spending. That is what we are doing with the Budget. We are reducing the deficit by 80 per cent through cutbacks in Crown corporations, Members' pensions, and through a freeze on regular departmental budgets. I would like to ask her whether the Government's policy, which has the support of financial journalists . . . whether it is not in line with the new economic reality in Canada.

Ms. Copps: Mr. Speaker, the new reality is that the modified promises referred to by the Hon. Member are so many burnt out candles, according to me and according to all Canadians. When the Hon. Member talks about modifying the pensions of the elderly, to me it is like an amputation where instead of taking off the whole arm, they only amputate the hand. Mr. Speaker, if we cut off the hands of the neediest in our society, they cannot fight for their rights in this country.

[*English*]

When the Hon. Member speaks of a modified promise, in Conservative language that translates into a lie. There was a statement made in the House by the Prime Minister and by the Minister of National Health and Welfare that indexation of Old Age Security and the Guaranteed Income Supplement would not be touched. It is being touched by this 3 per cent a year measure. It does not take an economist to figure out that over the lifetime of this Budget, it will mean \$30 less for each senior citizen. I am prepared to say that it is not an amputa-

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tion of the whole arm; it is an amputation of the hand. When you leave senior citizens without hands, it is a disgraceful act for all Members of Parliament.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am pleased to have the opportunity to rise this afternoon to say a few words on this most important topic before us. The reason we are here today is because the New Democratic Party, after seeing what was happening in terms of Old Age Security in Canada, thought it appropriate to set aside an entire day of debate in the House of Commons to allow Members to express their views as to just how they perceive this particular course of action flowing from the Budget brought in by the Minister of Finance (Mr. Wilson) a few weeks ago.

In a sense, the motion we are debating condemns the Government for failing to keep a promise. I distinctly remember back to the summer of 1984 when the Prime Minister (Mr. Mulroney) visited my constituency during the election campaign. I believe he visited it twice. During both visits he clearly indicated to groups of supporters that the one item he felt extremely strongly about was the matter of indexation of pensions. He felt strongly that senior citizens should not be ravaged by the increases in inflation which the country was experiencing and continues to experience. He expressed the concern that their pensions, be they modest already, would at least be protected. He made a solemn promise to the people of Canada and, as I say, to the people of Kamloops-Shuswap, that full indexation of OAS would be one of the first priorities of the Government.

I do not see how one could be any more precise than that. That is just what he said. He said it time and time again during the election campaign. I am sure Members opposite sitting in the government benches today said the same thing during their campaigns. I am sure when they were saying it, they were doing so in an honest, positive and forthright way. After all, that is what their leader said. That is what the present Prime Minister said.

We have called for a special debate today in the House of Commons because that solemn commitment made to the seniors of Canada has been broken. This is a serious matter. Earlier in the day, the former Member for the constituency of Winnipeg North Centre, the Hon. Stanley Knowles, was in the House. He fought for years and years to obtain a decent pension for those who retire at the age of 65. I admit we still have a way to go to achieve that end. It is an appalling situation when hundreds of thousands of senior citizens still live below the poverty line in terms of their incomes. I am referring to "incomes" and "poverty lines" as described by the Government through Statistics Canada.

What motivated Members of the New Democratic Party to call for a special debate was the fact that the Government decided to deindex OAS. Deindex is one of those neutral terms. For many Canadians, I suspect it has little meaning as they hear it day after day. They know it has something to do with pensions. However, what does the term mean to a senior citizen? It reminds me of other neutral terms which President Reagan has made famous. He refers to the deadly MX missile