

finance committee to abolish it altogether? Since the Minister did not, can he at least assure this House and the agricultural community that the intergenerational tax free transfer of farm lands will be available to help preserve the family farm?

Mr. Broadbent: The Minister is a flaming socialist, according to that Member.

Mr. de Cotret: It is a better question than from the Opposition.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me respond directly to the Hon. Member. We looked at whether it was possible to have an unlimited exemption for farm properties—

Mr. Broadbent: That is next year.

Mr. Wilson (Etobicoke Centre):—as had been requested by a number of Members representing the farm community. We felt that was not possible under the current financial circumstances of the Government of Canada.

Mr. Deans: Later.

Mr. Wilson (Etobicoke Centre): However, we did put in a limit which I think was consistent with what the finance committee had recommended. We have also maintained the intergenerational roll-over so that farmers will be able to pass on their farms to the next generation without any payment of capital gains.

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[Translation]

THE BUDGET

OLD AGE SECURITY—INDEXATION OF BASIC PENSION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I have a question for the Minister of Finance.

In his Budget yesterday the Minister decided to cut \$2.5 million off the pension income of elderly Canadians through a reduction in pension income indexation. In addition, the Minister struck a low blow to the poorest senior citizens of Canada, those who receive the guaranteed income supplement. Is the Minister aware—

Some Hon. Members: That is not true.

Mr. Malépart: Is the Minister aware of the fact that the income of a person alone who gets the old age security pension amounts to \$605.20 a month? This income is made up of the \$368 monthly income supplement which will still be indexed—

Some Hon. Members: Ah, ah!

Mr. Malépart:—and the \$276 basic pension, that is the total old age security pension—

Some Hon. Members: Order!

Oral Questions

Mr. Malépart: Here is my question, Mr. Speaker. Can the Minister explain why he did not maintain full basic pension indexation for the 1.3 million senior citizens who receive the guaranteed income supplement?

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the preamble and the question itself are misleading and create a false impression in the House.

I would like to assure all Canadians who are receiving the GIS that it will continue to be indexed to the consumer price index. The people who are receiving old age security will receive indexation protection over an inflation rate of 3 per cent.

Ms. Copps: In other words, it will go down by 3 per cent.

[Translation]

Mr. Speaker: The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) for a short supplementary question.

CUTS TO PENSION INCOME OF THE ELDERLY

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): I have a supplementary question, Mr. Speaker.

Can the Minister of Finance explain what social justice criteria prompted him to launch an immediate attack against the elderly by reducing their pension income, while at the same time he could not find any justification—

Some Hon. Members: That is completely false.

Mr. Malépart:—for going after the 6,000 Canadians who earn \$50,000 or more and do not pay any income tax?

[English]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I must apologize. I was listening to the translation, and it sounds to me from the translation that the premise of the Hon. Member's question is false.

Some Hon. Members: No.

Mr. Wilson (Etobicoke Centre): I will be happy to discuss the matter with him afterward. What I said in my first response is that people who are receiving the guaranteed income supplement will receive full indexation on the GIS.

An Hon. Member: What about the base?

Mr. Wilson (Etobicoke Centre): On the OAS they will continue to receive indexation protection, inflation protection, over 3 per cent. I believe Canadians who are looking at the results of what has happened over the past 10 to 15 years, Canadians who are very sensitive to the ravages of inflation, are very sensitive to the impact of the deficit on inflation, are prepared to make a small sacrifice in the interest—

Mr. Speaker: Order, please.