

Oral Questions

HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE MINISTER OF STATE, FOREIGN AND COMMONWEALTH OFFICE OF THE UNITED KINGDOM

Mr. Speaker: Before proceeding to Oral Question Period may I indicate to the House the presence in our gallery today of the Right Hon. Baroness Young, Minister of State, Foreign and Commonwealth Office of the United Kingdom.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[English]

SOCIAL SECURITY

SENIOR CITIZENS—BUDGET IMPACT

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is directed to the Prime Minister. Pursuant to the Budget tabled by the Minister of Finance we note that the purchasing power of senior citizens at the poverty line, who are those receiving the guaranteed income supplement, will be reduced by an average of \$58.08 a month by the year 1990. Would the Prime Minister tell the House whether he realized at the time the Budget was being prepared, or when it was delivered, that it would have this devastating effect on the purchasing power of our elderly poor?

● (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, on June 30, 1982, there was a statement made in the House that I think responds to the Hon. Member's question. It reads:

The essential attack on the federal deficit and on provincial deficits can only come when people contribute more out of their incomes to reducing them. We have built in this country one of the best welfare systems in the world, one of which we can all be proud. But we must also pay the bill for that system. That is what I meant when I said that the real incomes of the employed in this country must be reduced so that the capital, which would otherwise go into consumption—

—would go into paying for those resources. That was the statement by the Member for St. Henri-Westmount.

Ms. Copps: They are on pensions.

Mr. Mulroney: In point of fact we were extremely conscious of the impact of the Budget on all Canadians according to different income levels, which is why it is most demanding and most tough on those in high income levels and it has the smallest possible impact on those down the income scale. I think that is consistent with the principle of fairness with which all Canadians agree.

Ms. Copps: Tell the truth.

Mr. Johnston: Mr. Speaker, I do not think the Prime Minister really answered the question. I am trying to get at

some facts that may have escaped the attention of the Government, the Minister of Finance, or the Prime Minister, when the Budget was tabled.

GOVERNMENT POLICY

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I have a supplementary question. We have done the calculations. The issue really is this. Was it the intention of the Budget to have the people at the poverty line, the elderly poor, contribute \$58.08 a month out of their incomes to reduce the deficit? That is the question. Perhaps the Minister of Finance could respond to that.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think we have responded to this question on a number of occasions in the past in the House.

Mr. Foster: He has talked, but he does not answer.

Mr. Wilson (Etobicoke Centre): We have said it is important to maintain the viability of the finances of the federal Government in order that we can maintain the wide range of social programs that we have and that we all feel are very important to the fibre of our society. We have taken these considerations very much into account when we designed the Budget. That is why we kept in place this very, very potent form of insurance against the effects of inflation for those people who are on old age security so they will continue to be—

Mr. Speaker: Order, please. The question was short. The answer can be short, too.

Mr. Johnston: All my questions are short, Mr. Speaker.

Some Hon. Members: Oh, oh!

REQUEST FOR INTRODUCTION OF LEGISLATION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I have another question for the Minister of finance. Seriously. If we are able to satisfy the Minister of Finance and the Government that this is the impact, \$58.08 out of the pockets of the elderly who are at the poverty line, and if we can satisfy everyone in this House on that score, will the minister of finance bring in remedial legislation or proposals before the end of June to correct what is obviously an inequitable and unjust situation?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Budget is generally regarded as being fair to all Canadians.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Where has he been?