

ment of Finance, presented to the Minister of Finance (Mr. Wilson), who elected not to make them public.

In this Budget, apart from the proposal to reduce the indexing of senior citizens' pensions, we have a number of measures which are clearly going to add to the cost of living. We have tax increases for gasoline, health care products and so on which could amount to hundreds of dollars a year in lost income. Our senior citizens will be faced with an increase in the cost of living and a decrease in their income.

We have heard a lot of accusations about how the opposition are exaggerating, but let me read what senior citizens themselves say. First, this Budget was delayed for months because the Government was consulting. We have 10 groups representing one million of Canada's 2.6 million elderly who issued a joint statement on June 11 in which they say that, contrary to government pronouncements, there was no formal consultation with senior citizens' organizations. That was stated by Joyce King of the United Senior Citizens of Ontario. Ray Applebaum, of the Older Adults' Centres Association of Ontario said that with deindexing, hundreds of thousands of seniors will drop below the poverty line. The Canadian Council on Social Development estimates that deindexing will add as many as 200,000 elderly people to the poverty ranks by 1990.

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The statement by this coalition of 10 senior citizens groups also pointed out that Canada's elderly are being asked to contribute \$4.536 billion over five years to help bring down the deficit. The core of that statement was the following:

As senior citizens, we have helped to build a society of social justice and compassion. That society is now under threat by the Government's proposal to the Old Age Security system. We must not, and will not, let that happen.

Another factor in the Budget which was not outlined in the published Department of Finance projections, but was leaked, shows transfers to the provinces being reduced by billions of dollars over the next five or six years. That will, of course, impact on various services which are used by senior citizens. Yhetta Gold, President of the 18 member National Advisory Council on Aging, said that any further erosion of pensions or social benefits will have a direct negative effect on health care.

If this proposal goes forward, it will not be good for the country. I keep hoping that the Government will return to the position it had taken prior to January of this year, which is a much saner position. I hope the Government will consider the question of acquired rights. Making changes in pensions that will affect people in 20 years will give people a chance to plan and readjust, especially if the changes are made in the entire pension planning. However, making changes in this way affects people who have no redress because they are in a situation they cannot change. With all my heart, I recommend that the Government reconsider the matter.

Mr. Jardine: Mr. Speaker, I believe that everyone in the House appreciates and accepts the sincerity with which the Hon. Member for Trinity (Miss Nicholson) speaks. She has a certain civility which we may all wish to emulate. In fact, it is

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a pleasure to sit in the House while she is speaking. The decorum is much different then than it was earlier today.

I would like to make reference to comments made by the Hon. Monique Bégin when she was Minister of National Health and Welfare and spoke on Bill C-131. She said:

—the Government is asking as many groups as possible—taxpayers, public servants, mothers receiving family allowances and pensioners—to help set the course toward achieving this goal. We ask these Canadians to accept a cap on the indexation of their income taxes and benefits over the next two years.

She goes on to say:

The purpose of Bill C-131 is twofold. First, it proposes to limit indexation of the basic Old Age Security pension, known as OAS, to a maximum of 6 per cent in 1983 and 5 per cent the year after.

Finally, she said:

We are asking 1.1 million old age pensioners to help lead the way in the fight against inflation.

I have to stress that it is not without reluctance that we make this request. We do so with the knowledge that these pensioners who are relatively better off, will be able to adjust accordingly.

In light of the Member's earlier remarks, and the fact that she was a member of the Government at the time that the Minister made these statements, how can she now reconcile these remarks with the ones she made today?

Miss Nicholson (Trinity): Mr. Speaker, I am pleased to answer that question because I know the Member asked it in good faith and it is a question that should be asked. The situation at the time of the six and five program was very different than the present one in that inflation was at 12 per cent. This program was put into place reluctantly, as Monique Bégin said. Capping was put in place for two years only and with the aim of bringing inflation down. It did indeed bring inflation down in that very year.

If my figures are correct, in those two years the average senior citizens lost about \$2 a month. That program was also time limited. The program which has now been put in place is cumulative and will cause single pensioners to lose \$1,500 over five years. There is no foreseeable end to the program. It is true that the Government has said that it will monitor the situation and may make changes, but we have not been given a definite termination date. Therefore, the two programs are quite different.

Mr. Crosby: Mr. Speaker, I have a question and a comment for the Member for Trinity (Miss Nicholson). I listened with interest to her presentation. I understand why she is concerned about the senior citizens of Canada. We are all concerned with the welfare of our senior citizens, but at the same time we recognize that compassion will not provide senior citizens with comfort. It will not pay their food bills or help them with their rent. In order to assist senior citizens and all citizens of Canada, we must have sound financial policy. It is that sound financial policy that we want to present to the House of Commons and implement across Canada in order to help our senior citizens and all citizens as time goes on.

My question is in relation to a particular program of the Liberal Government of which she was a member. She sat in