

*Oral Questions*

• (1430)

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** It is somewhat incongruous watching the Reform Party trying to defend social programs. It is like watching an elephant tap dance.

The Reform Party has to be very desperate and it is quite clear it is so disconcerted by the very favourable reaction that the financial markets have given to this budget but it has lost its issue and is trying to make one up.

There is no hidden agenda. The only agenda that people are looking for today is the Reform Party's and they cannot find it.

[Translation]

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, the finance minister announced in his budget that he intends to tackle old age pensions. One of the budget documents states that the reform of old age security will be based primarily on the following principle: old age security benefits will be calculated on the basis of family income, as is the case with the guaranteed income supplement.

Can the finance minister confirm that calculating old age security benefits on the basis of family income will mean that, in the future, old age pensions will no longer be the same for everyone and that thousands of senior citizens will see their pensions drop?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, to answer the question directly, the exact opposite is true.

Having said this, the federal government and indeed the provincial governments are duty bound to protect old age pensions, the Canada and Quebec pension plans. We intend to sit down no later than this fall to work out a sustainable system. You have seen the actuarial report on this subject.

So I cannot understand the position of the hon. member who would not protect Canadian seniors' old age pensions.

**Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ):** Mr. Speaker, if the finance minister protects old age pensions the way he has protected unemployment insurance, we are not out of the woods yet.

Will the finance minister admit that calculating old age pensions on the basis of family income will directly penalize for the most part women whose financial independence will be compromised?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, no firm decision has been

made on this matter. We intend to consult, and it is indeed our duty to do so, but nevertheless let me answer your question directly.

According to the study by the Caledon Institute of Social Policy, women are not only protected, their pensions are in fact increased. It is a good thing for women.

I put the following question to the hon. member: He is against seniors, is he also against women? The hon. member should get his numbers right before asking questions.

[English]

**Mr. Ray Speaker (Lethbridge, Ref.):** Mr. Speaker, a centrepiece of the government's budget is the creation of something called the Canada social transfer.

The government's motive for creating this transfer is that this government was planning to make larger and bigger cuts to sacred cows like health, post-secondary education and welfare in this and possible future budgets.

To clarify the situation and to clarify the answers that the minister just gave, will there be any additional cuts to this new super transfer beyond those announced in the current 1995-96 budget?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, we set out a very clear plan to preserve our social programs. The Canada social transfer provides us with a basis to do that. It provides us with the basis to do that in very straightened circumstances.

• (1435)

I continue to have some difficulty understanding the nature of the question. I have a great deal of respect for the member but he must understand that he is with a party that recommended two weeks ago that we take \$15 billion out of those social programs which would effectively gut them. We are certainly entitled to have a little consistency on economic policy in this country by at least one of the two opposition parties.

**Mr. Ray Speaker (Lethbridge, Ref.):** Mr. Speaker, I certainly appreciate the answer by the hon. minister.

The Reform Party was up front. We laid it out that we would reduce by \$15 billion the social program spending.

What I am asking the minister and the government of this country to do is to lay it out for Canadians and tell them the truth about what is going to happen. That is what we want.

If we look at this 1995-96 budget, the government's transfer proposals provide no additional tax points and actually cut cash transfers to provinces by 20 per cent to 25 per cent. What else is going to happen?