

Old Age Security Act (No. 2)

Members and I have attacked the Bill in the House for eroding universality. The Minister of National Health and Welfare became very upset when we did that and was quick to defend it. If she is correct in what she says, if she is honest in what she says—and I am sure she is—and if she wants to help the elderly of Canada—and I think she wants to do that even though she obviously lost her battle in Cabinet—she will support this amendment, as will all Government Members, because it will do what they indicated they wanted done.

Certainly the proposed Bill C-131 affects OAS and universality. To some degree my amendment will correct that imbalance and put the entire pension system in 1985 back on the track on which we are now. That is why I am putting forth the amendment at this time.

Certainly Bill C-131 places us in a very unhappy situation. What is happening here, and most people who attended committee hearings can identify with this, is that through Bill C-131 we are not only saddling the elderly with a reduction in their capacity to spend, but also with the imposition of a regressive tax, particularly those over the age of 65. Several groups have estimated how much the imposition of Bill C-131 will cost each senior citizen. It will reduce the indexation to 6 per cent, and the amount a senior citizen loses will depend, of course, on how you calculate the average inflationary indexation for this year and next year. There are those who have calculated that every pensioner will lose as much as \$300 in the next two years. There are others who say they will lose only as much as \$50 a year.

• (1530)

Let me take the figure of \$100 per year to show how regressive this tax is. First of all, Old Age Security goes to everyone 65 years of age and over. A fairly well-off senior citizen who pays income tax at the top rate will receive only 50 per cent of that indexation. If that person is entitled to \$100 in the coming year, he will receive only \$50 with the other \$50, being taxed away. Under this scheme we are reducing the amount of money a wealthy pensioner would receive by \$50.

By comparison, what are we doing to that pensioner who is existing at just above the poverty level? None of the increase to his Old Age Security would be subject to taxation, so that individual would be losing the entire \$100. What we are doing to the poor pensioner, therefore, is taking \$100 in purchasing power out of his pocket. We are taking only \$50 in purchasing power out of the rich pensioner's pocket.

I find this a very unfair approach to retirement income in this country. Surely this is the first time this Government has ever done anything like this. In the past it has not been that bad in terms of its support for the retirement income policy, and when I say "in the past" I mean in the last two years. What has happened in the last two years is almost beyond belief. This Government has attacked every aspect of retirement policy through its taxation and budgetary policies, and now we have this series of Bills before the House. It is for that reason I suggest the Bill is rotten and really regressive taxation

at its worst. I hope that before debate is completed the Minister will see fit to withdraw the Bill.

I should now like to refer to another point. I listened very carefully to Hon. Members during this debate, and I have noted that in respect not only of this particular Bill but the ones on Family Allowances and civil service pensions Hon. Members in the NDP to my left have continually referred to Conservative support for the six and five formula. Rather than talking about what this particular Bill will do to pensioners, Hon. Members of that Party have spent much time talking about the inconsistency of Conservative Members who supported the six and five formula and are now objecting to Bill C-131.

Perhaps we should explain to the Canadian public that this Party supported Bill C-124, which started the six and five formula, because it limited indexation for MP's salaries and the salaries of civil servants. Basically what it did was identify to a large degree the fact that Government spending in this country was increasing at a higher rate than inflation. In fact, federal, provincial and municipal spending on services and salary has been feeding inflation to the extent of 14 per cent to 17 per cent. It seems to me that Bill C-124 was perfectly logical because it did attack that feeding of inflation in all those areas where the federal Government could impose that legislation.

I often wonder what prompts Members of the NDP to argue vigorously in support of raising salaries and pensions while at the same time refusing to cut their own salaries.

An Hon. Member: It has nothing to do with salaries.

Mr. Dantzer: I guess that follows real socialist philosophy, because that philosophy is apparently based on back alley slogans such as, "What is yours is mine, and what is mine is my own". That is the kind of socialist philosophy they seem to support. I have had discussions with other people trying to find out why those Members are making this attack on our position in respect of Bill C-124, first of all because we supported it, and secondly because we are now fighting for senior citizens in this country.

I guess it really boils down to the fact that they are reading the opinion polls. They have discovered they are losing out badly, according to those polls, and they have now decided it is better to have policies than slogans. They are very concerned, like the Liberals, and are attacking us as the front runners. Presumably their whole policy regarding the fight against inflation is to spend more money.

They are very much like their socialist counterparts in France who elected a socialist President some time ago. They started off by taking over the banks and spending more money in order to fight their way out of the recession. They found that a little more difficult than they first thought. That is the policy apparently advocated by the NDP to our left.

Let me talk about the misery index. Let me point out to Members of the NDP that as a result of following that policy in France, the misery index there is only slightly less than it is