

Interim Supply

Mr. Peters: He is in a better position to know this than I. I know he was not included among those 12 whom *Maclean's* magazine thought constituted the establishment. I am thinking of the gentleman formerly in his department who is now one of the establishment. I cannot remember his name, but I think it is Isbister. I am speaking of those gentlemen who always dine at the Rideau Club and make the decisions for Canada. They have no knowledge of, no interest in, and they are in no position to decide what are the needs of the Canadian public. I think that we as politicians who every day receive dozens of letters from people of poor means are better able to evaluate the problem. One hears of many people who cannot send their children to school, often because they have not been able to receive proper medical attention. They cannot provide them with eye glasses, and in many cases are living on welfare because the bread winner of the family has died. Anyone receiving these letters is well aware of the fact that the Department of Finance has based the economy of Canada on the \$75 allowance and that everything is going to be kept in relation to that \$75.

• (1:20 p.m.)

I am saying to the minister that I do not think it would have mattered if he had raised this to \$100. A long time ago, in negotiating contracts for labour unions I found out that we based our requests on the needs of the workers. We found that in most cases the wage increases we were seeking for the employees of a particular company were always trailing far behind the increases in the cost of living and the standard of living that should have been maintained. I think the minister made a major mistake in his budget when he tried to maintain this \$75 basic pension. There is a large proportion of our population dependant on that basic pension. I agree entirely with the three members who preceded me that this is the major problem in Canada today. We should be providing a pension which would allow these people a decent standard of living. If we are not capable of doing that, then all the riches that go to the people at the top level are not going to be of much value. Certainly, we are not going to improve the image of parliament.

The Minister of Finance has stated he expects a 3.5 per cent increase in the cost of living this year. This will not necessarily mean 3.5 per cent across the board, and it will not be 3.5 per cent for those who are on

the \$75 pension. It will probably be 10 per cent or 20 per cent so far as that class of citizen is concerned. The previous speaker indicated that this 3.5 per cent increase would really mean an increase of 10 per cent in the cost of food. I think we will be lucky if we find food prices have increased by only 10 per cent at the end of the year. Once again those on disability pensions, old age pensions and other retirement pensions will find that the basic food commodities they have to buy will have increased in price by more than 10 per cent. The increase will have no relationship to the 3.5 per cent which the Minister of Finance indicates he expects the Canadian economy to rise.

The people in this category are not the ones who will be making purchases in the automobile field or for basic steel. Their purchases are in the field of houses, clothing and food. These are the only things old age pensioners and those living on fixed incomes are going to be interested in purchasing. I do not expect a representative of the government to stand up and say what they are going to do about protection for consumers. I realize that this problem is developing in other countries as well. I believe the Minister of Finance is perhaps more responsible for this situation than any other minister. I am well aware of the fact that other ministers are finding responsibilities in other fields such as the supply of labour, keeping our people at work, retraining a portion of our population to meet the needs of a changing society, housing, and so on. I know there is going to be another debate on this subject, so I do not intend to pursue it.

However, I believe the Minister of Finance will have to give very serious consideration to this particular matter because he made the decision. I do not believe the cabinet made it. I am sure the Liberal party did not make it, because I listened to the speeches of the candidates during the election campaign and they professed to be interested in the little people, the people who are not able to be retrained to change jobs, and who are in a position where they have to depend on a fixed income. When the minister set a basic pension of \$75, then in my opinion he had an obligation to maintain the cost of living at a level which would permit the \$75 to meet the reasonable requirements of these people.

I do not know how the government is going to face the establishment. I do not know if they are ever going to do so. I am quite surprised that this government does not seem