

Pension Increases

mately laid, to explain to the Canadian people, especially old age pensioners, why federal retirees get pension increases whilst nothing is done to replace the loss of purchasing power for the rest of the Canadian population.

I have some amazing facts that show just where Canada's poor people stand in terms of age. These are 1969 figures issued by Statistics Canada and show that aged people account for an appallingly large portion of Canada's poor. Where the head of the family is aged between 65 and 69, 32.8 per cent are poor; where the head of the family is aged 70 and over, 46.7 per cent are poor; 49 per cent of all unattached individuals aged 65 to 69 are poor, and an amazing 67.1 per cent of all unattached individuals aged 70 and over are below the poverty line. At the end of 1970, a monthly pension of \$79.58 was payable to everyone age 65 and over who meets the residence requirements. A monthly supplement of \$31.83 was payable to each pensioner who has no other source of income, and a partial supplement was payable to those with other incomes of less than \$64 a month.

The white paper and subsequent legislation at the end of 1970 changed these arrangements. Effective April, 1971, old age security pensions were to be frozen at \$80 with no annual cost of living increase, and the guaranteed income supplement was to range up to \$55, single, or \$95 for a married couple with an annual increase on a fiscal year basis instead of calendar year basis, as previously, of up to 2 per cent for cost of living increases. Calculations of the 2 per cent annual increase were to be made on the combined OAS and GIS total, not just on the GIS payment itself.

This means that people getting the old age pension plus the maximum guaranteed income supplement will be getting, starting April, 1972, \$137.70 per month, single, and \$260.10 for a married couple. This represents an increase of \$2.70 per month, \$32.40 per year, or less than nine cents per day for a single person, or an increase of \$5.10 per month, \$61.20 per year or less than 17 cents per day for a married couple. These annual increases of \$2.70 per month, single, and \$5.10 per month for a married couple do not accrue to everyone but only those getting the maximum GIS.

At the end of January, 1972, 672,960 old age pensioners were getting the maximum supplement and 110,176 old age pensioner couples were receiving the maximum supplement. This means that only 44.5 per cent of all old age pensioners at this time were getting the full supplement and, therefore, the full benefit of the 2 per cent cost of living escalator.

Taking it one step further, what if the Liberal government had in fact embarked on a just society in 1968 as it promised and, in line with such a goal, had arranged for old age security pensions and guaranteed income supplements to be increased yearly at a rate corresponding to the annual rise in the cost of living which the Progressive Conservative party has advocated in the past and which we are talking about in this debate? I contend that if such a plan had been instituted, the \$75 OAS monthly pension and the GIS monthly payment of \$30 in 1967 would have risen on January 1, 1968, by 3.6 per cent to \$77.70 and \$31.08 respectively. By January, 1972, the cumulative

[Mr. Murta.]

effect of these annual raises would have brought the OAS pension to \$89.85 a month and the GIS to \$58.81.

• (2140)

What does this mean in dollars and cents, in bread and butter terms for Canada's pensioners? I agree with the hon. member for Bruce who said that all members of the House are concerned about this matter. In 1972, Mr. Speaker, all recipients of the old age security pension would be receiving \$9.85 more a month, or \$118.20 per year, than they now receive. The cost of embarking on such a program would not have been prohibitive. You cannot talk about pie in the sky, as some members of the House tend to, because you must remember that the money must come from somewhere. Someone must pay and that someone is the taxpayer of Canada.

I contend that from January, 1968, to December, 1971, the revised old age security program would have cost altogether about \$230 million, a load that the old age security fund could easily have borne. On December 31, 1971, the balance in the old age security fund was \$636.1 million. In 1972, the cost would have been another \$49 million or \$50 million and the guaranteed income supplement changes would have only cost an extra \$46 million in the four-year period between January, 1968, and December, 1971. There is no doubt that such a scheme if implemented would have benefited Canada's old people tremendously over that period.

I have tried to point out that the problem certainly is not insoluble. If an escalating factor of the kind I have talked about were added to the old age pension—and I think I have talked in realistic terms—the old age pensioners of whom we have spoken today would benefit greatly. This kind of escalation should not be given as a privilege, Mr. Speaker, but as a right. We must introduce legislation to give people this right. It is a right that should not be denied to anyone living in Canada.

Mr. Bill Knight (Assiniboia): Mr. Speaker, this evening I speak in support of the amendment to the motion. I listened to the hon. member for Bruce (Mr. Whicher) with interest. I closed my eyes for a few moments and thought I heard, as he was speaking, the ghostly voice of the late Mackenzie King. In no sense of the word has the government dealt with the problems of the old age pensioners with merit. As one travels around Assiniboia one finds small communities in which people live in squalid conditions. They are old age pensioners. I think that the amendment deserves the support of the House.

The Acting Speaker (Mr. Laniel): Order, please. It being 9.45 p.m., it is my duty, pursuant to Standing Order 58(10), to interrupt the proceedings and forthwith put every question necessary to dispose of supplementary estimates (B), interim supply and any bill or bills based thereon. The question is on the amendment to the motion.

The House divided on the amendment (Mr. Knowles, Winnipeg North Centre) which was negatived on the following division: