

*Anti-Inflation Act*

always falling behind. I throw to the government the words in its own white paper, "they need the opportunity to catch up". They do not get any opportunity just by the high-flung rhetoric of the Minister of Finance that there will be more of the pie for them. They will only get it if there is a positive step taken by the government to increase the amount of the old age security. The time for that to be done is right now in the context of the economic control program.

Some members on the government side may say that this seems to be a case of asking for exceptions in the restraint program. It is the government in its white paper which has already provided for scores of exceptions to the guidelines laid down, but it says to the old age pensioners that there will be nothing for them; that they are not in a group that bargains, and therefore they do not get any increase in money to enable them to catch up, and that they just have to hope that somehow, because of the rhetoric, they will get a little more of the pie.

● (1700)

It will not work that way, and I submit that if this program is to succeed, and if I am right in saying that it can succeed only if we are determined to be fair, then one of the things to do right now is to provide for a substantial boost in the basic amount of old age security so that it will apply to those who receive that pension only and also to those who receive old age security and the guaranteed income supplement. This kind of action would be an evidence of good faith on the part of the government and would enable the government to say that they are asking all Canadians to share in this campaign against inflation.

I suggest the same thing for our veterans, those on the war veterans allowance and those on war disability pensions. Again it can be said that there is indexing or escalation of these pensions. In the case of the war veterans allowances, there is indexing every quarter; in the case of war disability pensions, there is indexing once a year, but the same story applies—the extra money that comes because of escalation leaves the recipients of that money always behind and it does not relate to things they actually have to buy.

I contend, therefore, that another evidence of good faith, another carrying out of the position taken by the government that those who are behind should have the chance to catch up, would be demonstrated if there was an increase right now in the basic amount of the 100 per cent disability pension under the pension act for veterans and if there was an increase in the basic amount of the war veterans allowance.

In the same vein, I mention that there is before parliament a report of the Standing Committee on Veterans Affairs which was presented some weeks before we rose for the summer break and which is supposed to be under consideration by the government itself. It is a report that recommends an increase in the pensions of Canadians who were prisoners at Hong Kong and which also recommends that there be a scale of pensions for Canadians who were prisoners of war in Europe during World War II. This report came about because of the earnest and thorough study by the Standing Committee on Veterans Affairs, and because of representations that were made to us.

[Mr. Knowles (Winnipeg North Centre).]

I say, again, here are persons to whom Canada owes a great deal, persons who are in need, persons who are in that category of having fallen behind in the last two or three years and for whom there should be provided an opportunity to catch up. It is not good enough just to let the bringing in of that legislation drag on and on while some of these veterans die off. If there is a desire to be fair—and I put it again in the context of whether or not these controls will work—let us be fair to those who are in the kind of need that the report of our committee seeks to meet.

The Minister of Veterans Affairs (Mr. MacDonald) has told us that this matter is under consideration. We have been getting that answer for a long time, and I have no doubt that it is. I think that perhaps there are other recommendations in that report that the government finds hard to swallow, such as a provision having to do with the widows of veterans in the cases where the veteran's disability pension was less than 50 per cent. But here, again, we are talking about people who will fit the category that I have referred to as the theme of my speech, people who have not had a chance to keep up with rising costs and who should now be provided with an opportunity to catch up. I call upon the government to bring in that legislation without delay. The minister has had it for weeks and for months. There is no reason why it should not be on our order paper not later than next week.

**Some hon. Members:** Hear, hear!

**Mr. Knowles (Winnipeg North Centre):** Another thing that comes in the same category has to do with Canadian government annuities. When the former minister of finance, the hon. member for Ottawa-Carleton (Mr. Turner), made his budget speech on June 23, four months ago tomorrow, he promised that there would be legislation to amend the Government Annuities Act so that people drawing benefits under that legislation would not have to continue to draw benefits based only on a 4 per cent formula.

We have asked about this several times, and other members in the House have done so. We are told that it is being considered and that it will be along soon. But why the delay? Here is something that is geared to the needs of people who are retired, who are not in the position of being able to bargain for increases as others can. These are people who have the right to catch up, and the government has it in its power to assist these people by bringing in the legislation without further delay.

I come again to the question of other groups about whom I have spoken hundreds, if not thousands of times in the years that I have been here, groups such as retired public servants, retired railway employees, both CNR and CPR. These are all persons who, because they are retired, are out of the category of those who can bargain for increases. I say they are all in the category of those for whom an opportunity to catch up should be provided.

I say, again, that if the government wants this program to succeed, it must convince the Canadian people that it is being fair. It is not fair to leave all these groups of people nothing to make life better for them other than the rhetoric of the Minister of Finance who says that because some