

Old Age Security Act

when almost everybody in retirement could anticipate that his income would go up by at least a couple of per cent, we will have our retired people in several different categories.

The first group I want to talk about are the people on the old age security and the guaranteed income supplement. Their pensions will not be very high but they will be the fortunate ones in that they will get a 2 per cent increase every year if the cost of living goes up by that much. Their total income will escalate.

Then, there will be people like retired civil servants who get the old age security pension and their civil service pension. Their civil service pension will escalate every January, but their old age security pension will not escalate if they are getting only the basic pension.

Then, there will be people on private pensions from outside employers, the CPR and so on. Their total pension will be the old age security and the basic amount of their other pension, and they will be out in the cold completely. There will be no increase for them because of the cost of living increase. I should admit that there is a slight modification to that. Those who have any portion of their retirement pension from the Canada Pension Plan will get an increase with respect to that portion. But what a patchwork we are building up when what we should be doing, after the progress we made last March and based on what we have done in previous years, is moving toward the concept of all pensions in retirement going up at least 2 per cent as the cost of living goes up. But instead we are retreating from that, and taking it away from the 800,000 of our people on the basic old age pension by itself.

If I were a Liberal—

Mr. Mackasey: You are pretty close. There is hope for you yet.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I hope you applaud my restraint.

Mr. Mackasey: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I would be terribly ashamed that my party had come in with this good principle and now was about to destroy it.

It is in the same category as universality. You know, we claim the credit for that, and rightly so, for we kept prodding the government to remove the means test from the old age pension. We are proud we did that until we won. But when the bill to do so was brought in, it was a Liberal government that brought it in, and the Liberals around the country boasted of the fact it was their party that recognized the principle that people in retirement should have their pensions not on the basis of a means or income test but as a matter of right.

These two good principles which, whoever may have done the prodding to begin with, were put into law on the basis of bills brought in by Liberals—universality of payment and escalation because of the cost of living

[Mr. Knowles (Winnipeg North Centre).]

increase—are now being abandoned and destroyed by the government. It is for that reason, Mr. Speaker, I have to say, despite my slightly generous remarks on Monday, that this bill is a bad bill. It ought not to be before Parliament. I do not raise a point of order against it, because it is more than a procedural issue, but I do suggest that the members of this House should meet it head on in debate. They should insist not that the Liberals adopt something the opposition is asking for but that the Liberals get back to the principles they followed when they brought in the Old Age Security act back in 1951—the best piece of social legislation that was ever brought into this House of Commons.

The Minister of National Health and Welfare today, and also the Prime Minister (Mr. Trudeau) when he has talked about this matter, tell us it is a case of taking away from the rich, or not giving it to the rich so that we can give it to the poor, to those who are needy. That is a very nice and high-sounding phrase, take it away from the rich to give it to the poor. If that were what we were doing, particularly if it were an over-all proposition and we were saying to the rich in our society of whatever age, "You should have less so that the retired people could have more"—we would have to applaud. But all this bill is doing, even at the risk of repeating my phrase, is redistributing old age poverty; that is what it is doing. It is taking away from some retired people and giving it to others who are also retired.

If even the latter phrase fitted, if description used by the Minister of National Health and Welfare and the Prime Minister were correct, one might have to listen to it. But who are these rich who are being asked to do with less? Who are these rich who are being asked to settle for an increase of 42 cents and to have their pensions frozen at \$80? Who are these rich who are no longer to get an increase in their pension on the basis of the rising cost of living? Well, to begin with, any single person over 65 years of age who has other income of over \$110 a month will not qualify for the supplement, will therefore qualify only for the basic pension, and will not qualify for the escalation. Do you call a 65 year old single person with \$110 of other income apart from his pension, rich? I don't think you can. No one can, not even the Prime Minister.

Let us look at the statistics, and I thank the minister not only for having given them to me in answers to questions put on the Order Paper but for having them included in this white paper. Mind you, if I read the document correctly he was giving these figures to show us there is not enough income amongst the older people to tax back to make a significant difference. The tables given us on pages 40 and 41, when you break them down, show that our people over 65 years divided into three main categories. There are 1,700,000 of these people. I take it that under the new provisions about 60 per cent will qualify for the guaranteed income supplement. At present that figure is about 48 per cent, but about 60 per cent will qualify under the new ceilings. That leaves 40 per cent. That 40 per cent falls into two groups, one of 30 per cent and one of 10 per cent. I am talking about 30 per cent of the whole 1,700,000 of our people who are