

*Old Age Security Act*

still left at least 25 per cent below the poverty level. In 1968 the committee on poverty said the amount necessary for a single person to live in Canada at the poverty level as \$1,800. In 1970 they said it should be \$1,922. We are giving these people the princely sum of \$1,620. When we deduct the income tax payable on this amount, which is approximately \$75, we find that a person in these circumstances is living at 25 per cent below the poverty level. I am sure that all members opposite who have a heart and a conscience will agree to bring about the necessary changes.

If we were to accept the \$150 demogrant, the annual income would amount to \$1,800 and it would be necessary to add an escalation clause to bring the recipient up to the poverty level. A married couple would receive \$3,020 total income for the year. In 1969 the committee on poverty said it took \$3,000 for a couple to live at the poverty level and in 1970 the figure is \$3,200; so hon. members can see they would be \$200 below the poverty level—and they are still subject to income tax.

My hon. friend from Winnipeg North Centre looked across at the Minister of National Health and Welfare this afternoon, recalling his arrival in the House, his progressive ideas and his compassion for people. Then my hon. friend pleaded with him to make the necessary changes in this legislation. I hope that the minister, who comes from a city where there is a measure of poverty and a large number of pensioners, will not be strangled by cabinet decisions to hold the line with regard to this bill. The least he can do is accept the proposal that the escalation clause be retained as it applies to old age security pensions.

As my hon. friend said so well in his speech to the committee, the government's proposal seriously affects single people who have an income of \$2,280 and married couples with an income of \$3,200. These are the people who are being hurt by not getting the guaranteed income supplement. Surely, a man of his stature and background, a man of his compassion and good instincts, will agree to make the necessary changes in the bill.

• (8:20 p.m.)

I agree with some of the reasons the hon. member for Winnipeg South Centre (Mr. Osler) put forward for the action taken by the minister. He said that the minister was probably told by the cabinet that he had to juggle and juggle the sum of money he had been given, and this legislation resulted. Do you realize, Mr. Speaker, that if we pass this bill it is but the first step toward a guaranteed annual income for all Canadians? And it is a bad first step, because I am sure all of us are able to anticipate that the second bad step will be taken in the direction of family allowances.

Surely, we in this House should have the wisdom and the courage to stay clear of the selectivity principle and to adhere to the principle of universality. I suggest that the legislation before the House will create divisiveness. I want the opportunity on third reading to vote against the bill. I want five members of this House to rise when the motion is called and to force a vote so that hon. members

[Mr. Gilbert.]

are made to realize what they are voting for, namely, a redistribution of old age poverty. I think once hon. members realize this is what we are doing and that the implementation of this measure will not cost the government one penny, they will agree it is a bad bill.

The hon. member for Winnipeg North Centre commenced his speech on second reading by saying that this was a bad bill. The hon. member said he had received letters from old age pensioners expressing disappointment and disillusionment, and I could not agree more with those pensioners. That is why I want members on both sides of the House to stand up and vote against this bill. We will have plenty of opportunity in the next few months to revamp the bill, put it in its proper perspective and take care of the senior citizens of Canada.

I notice the hon. member for Ottawa West (Mr. Francis) is nodding his head. He participated in the second reading debate. He supported the government and spoke against our plea for a guaranteed annual income, asking where we were going to get the money. Let me tell the hon. member that there are \$4 billion in the foreign exchange reserve. Surely that is a sufficient amount of money to implement the plan we have suggested.

When the hon. member for Winnipeg North Centre outlined this afternoon the breach of faith on the part of government, the breaking of a social contract that was entered into between the government and the people of Canada in regard to the escalation clause, the hon. member for Ottawa West contributed a gratuitous remark by asking, "Well, why can't we break a contract?" I ask whether he realizes what this means to all Canadians. Does the hon. member agree that we should break our agreement regarding a 2 per cent escalation for the Canada Pension Plan, or in regard to retired civil servants, the RCMP or military personnel? Surely the word of the government should be its bond. It was its bond in 1965 when the government introduced the escalation provision. It is now casting it aside. I do not think the members of the Liberal party would want it to be said that they should so callously discard the escalation clause in respect of this bill.

As I have said, the philosophy of a guaranteed income for our senior citizens is one of co-operation and consideration. When we think of the contribution that they have made over the years, not only to the productive life of this country but to the life of the family as well as to moral and spiritual life, surely the least we can do is ensure that they spend their twilight years in respect and in dignity. This bill will not produce that result. I think all hon. members of the House should realize this is the case and should vote against the bill.

The 42 cents increase in the basic pension is a disgrace, a cruel hoax perpetrated on many senior citizens at Christmas time. I hope that the President of the Privy Council, a man who comes from the Maritimes and who has seen poverty, as has his family, yet has overcome it, the man who introduced the guaranteed income supplement, will rise in his place and declare that he is opposed to the principle of selectivity and is in favour of universality. I perceive the Minister without Portfolio (Mr.