

Income Tax Act

and I firmly believe in this concept, then we surely must adhere to the accepted principle that any additional cost to a product automatically reflects in its selling price. Regular wage increases create regularly increased costs, which create regularly increased selling prices, which in turn perpetuate the inflationary spiral. The result increases the dollar value of Canada's gross national product, which I understand is considered to be justifiable reason for wage increases. The pensioners and fixed income citizens fail to participate in the guideline provided by the gross national product increases and subsequently fall by the way-side. The 2 per cent regular increase to pensioners recently prescribed would be acceptable if all personal incomes could be held to this percentage increase.

In conclusion, Mr. Speaker, I should like to quote from an article in "The Elder Statesman". The article is entitled "Senior Citizens, the victims of inflation". I quote:

Senior citizens have long been the victims of inflation.

The post-war (world war II) price spiral has gone up and up, without let up.

As wages and prices expand, pensioner incomes shrink. The small monthly cheques they receive buy less and less.

Wages and prices shoot upward each year. Until now pensions have been fixed, with only slight increases granted at rare intervals. These pitifully small increases to pitifully small pensions, have tended to be "to little", and often, "too late".

And now—at long last—the government has decided on a regular increase. Two per cent is a small figure related to even a large sum (it is only 1/50th).

It is no more than a drop in the big bucket of inflated prices which enter into the pensioners', and everybody's, cost of living. The cost of living has been rising at an alarming rate for the past 10 years. But senior citizens' pensions will increase only 2 per cent or \$1.50 per month.

It is obvious that the gap between wage income and pension income will continue to widen. It is equally obvious that with a small increase in income, and a big increase in prices, and cost of living each year, pensioners are dropping to lower depths into the pit at poverty.

Pensioners belong to the not "smug" minority. They are at the lower end of the low income groups in Canada, who make up, we are told, 20 per cent of our population.

It's high time that most of us became part of a "concerned majority", about the plight of our senior citizens. After all, we'll all be senior citizens some day. Our reward, and theirs, for a lifetime devoted to productive work on the labour market, should be an adequate income, not a mere subsistence allowance, reluctantly "dolled" out. This is the right of every citizen who worked hard and

contributed much to making it possible for today's workers to achieve the higher wages and standard of living they now enjoy...

Some countries are far ahead of us in their treatment of their senior citizens. Germany, for example, has long had legislation which adjusts senior citizens' pensions annually in line with the rise in the cost of living. Canada can do no less.

We all applaud, and should support, Prime Minister Trudeau in his efforts to build a "just" society in Canada.

There can be, and will be, no just society in Canada unless and until our senior citizens receive justice as "right" not a handout.

I reiterate that I firmly endorse the resolution presented by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand). I plead that the subject go to committee at once for further study, and that the report recommend prompt action by this house.

[Translation]

Mr. Roland Godin (Porineuf): Mr. Speaker, I listened with great interest to the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) whose notice of motion reads in part as follows:

—the government should consider the advisability of amending the Income Tax Act so that the additional \$500 exemption presently granted to Canadian taxpayers... when they reach 70 years of age be granted at 65 years of age—

Mr. Speaker, I would like also to congratulate the previous speakers who so eloquently held their own. In my opinion, the fact that such a notice of motion has been put the house and the question brought to the attention of the government is an indication of the dissatisfaction which prevails regarding present government policies. Once more, I congratulate the hon. member for Notre-Dame-de-Grâce who will not give up and who has chosen this moment to discuss the fate of people of 65 years of age and over.

Whether we agree or not, if we consider their background, we realize that these people were born in difficult times, when there was no electric lighting, when houses were lighted with candles and oil lamps. In fact, it was then very difficult, for most people, to receive an adequate education at the little red school house; it was also the time of the economic crisis.

• (5:40 p.m.)

Those people help to build the country by working at the construction of our highways—we know that they did so with the pick and the shovel, the hard way—and our railways. All things considered, everything