

he should at least do this for the spouses of those who are already on pension.

I have just one other point to make. I have deliberately left it to the last because I regard it not only as something new in terms of its being on the table of this House, but because I welcome it so much and regard it as so important. For all the years I have been talking about pensions, I have been insisting that merely to increase pensions by the amount the cost of living goes up, although that is much better than 2 per cent, is not good enough because the recipients of those pensions are forever getting behind. Although the cost of living goes up to a certain extent, wages and the standards of living go up more than that.

We now have on the table of this House a report from the Standing Committee on Veterans Affairs which was tabled a few days ago by the hon. member for Labelle (Mr. Dupras). It endorses unanimously a recommendation in the report of a joint study group that considered the basic amount of the war disability pension under the Pension Act. That recommendation is that war disability pensions should be increased each year, not just by the amount the cost of living goes up but by an index that measures the rise in the standard of living.

That committee found a particular formula. It said that the basic disability pension could be arrived at as the average of the salaries or wages of five selected groups in the public service. That committee said it is not good enough just to arrive at that decent figure for now and then leave it to be adjusted with the cost of living. No. The committee said that in future years the war disability pension should increase by the same dollar amount that the average salaries of those in the same five selected categories increase. I am hopeful that when the government brings in the bill to amend the Pension Act, it will accept that recommendation. There has been a commitment by the Minister of Finance (Mr. Turner (Ottawa-Carleton)) to do so, and I believe it will be done.

When we get that principle accepted for war disability pensions, I say to the Minister of National Health and Welfare and this House that we are just beginning. It is a very important new beginning. However, we must apply it across the board, and when we do we will be doing the right thing. We will be saying to those who have retired. "We are not asking you just to get by for the rest of your life on the money you have at retirement; we are not asking you to get by for the rest of your life with just enough to buy the same quantity of goods and services you can buy on retirement, but you have the right to share in the rising standard of living, the better life Canadians are making possible because you, the retired people of this country, gave so much during your working years." This is a tremendous report we have received from the Standing Committee on Veterans Affairs. I have seen a lot of improvement in pensions during the years I have been here. This report recommends a new one which I hope we will win with respect to all our pension programs.

• (2030)

In closing, however, I urge the minister to meet two main challenges without delay—raise the amount of the basic pension under the Old Age Security Act to \$150 a

month, and lower the qualifying age so that Canadians, if they wish to, may retire at age 60.

[Translation]

**Mr. Henry Latulippe (Compton):** Mr. Speaker, I welcome this opportunity to say a few words about the present economic situation and about the bill the Hon. Minister of National Health and Welfare (Mr. Lalonde) has brought forward here.

We are gratified, Mr. Speaker, by the minister's statement concerning the increase in the old age pensions, but less so when we see that it has been impossible to bring down to 60 the age for eligibility to the pension. We should have liked that minimum age to be brought down, which would have been one way of directly fighting unemployment. It would certainly have been a remedy to the unbalanced economic situation concerning the unemployment we are now experiencing.

Mr. Speaker, we feel that this partial increase of pensions was urgent to offset the increase in the cost of living; the increase amounts to about twelve dollars. This will give somewhat more purchasing power to senior citizens.

According to the minister's estimates, this increase will cost some 290 million dollars a year. We know, Mr. Speaker, that money always comes into the picture. If the minister had made the necessary financial arrangements, if financial conditions had permitted, I know he would have increased the pension to \$200 instead of \$100.

Mr. Speaker, the minister announced that the increase was granted up to April 1974, after which increases will escalate with the cost of living. This shows recognition of the continued upward trend in the cost of living.

Therefore, I agree with those who want pension increases. I agree with the hon. member for Winnipeg North Centre (Mr. Knowles) who wants to have pensions increased at all costs. However, we also believe that the cost of living should stop rising. If nothing is done about the spiralling cost of living, there is no use boosting pensions. The higher the pensions, the higher the cost of living. In turn, the higher the cost of living, the heavier the taxes, thus causing a further economic disequilibrium. This is not profitable or logical.

Under our present system, social legislation leads to more taxation and income taxes in a direct or indirect way which causes the economy to become imbalanced. Economic difficulties are causing an increasingly difficult situation. In fact, we have reached the point where adequate solutions are practically impossible. The guaranteed monthly income will be \$170 for single persons and \$325 for couples, which means an increase of about 26 per cent, as claimed by the minister. He says Canada will be ahead of all other countries.

Mr. Speaker, considering our situation, our natural resources and technical progress, I do not think we should compare with other countries. I think we must look after ourselves, accept our responsibilities and live according to our means. If we are in a position to raise pensions, let us do it. If our automated production reaches the markets quicker than the consumers can absorb it and because it is produced without labour, other solutions must be found to our problems, so as to balance our economy. And the