

*Old Age Security Act*

Judy LaMarsh was introducing the Canada Pension Plan legislation and for the first time told us about the escalation on the basis of the cost of living. These were her words:

—all future old age security pensions will be pegged to the cost of living index and will increase automatically if living costs increase.

There was no suggestion that this was for four or five years. She said, "all future" pensions, and in later debates that promise was repeated. A couple of years later—

**Mr. Francis:** For all time?

**Mr. Knowles (Winnipeg North Centre):** What does "all future" mean?

**Mr. Francis:** What does parliamentary government mean?

**Mr. Knowles (Winnipeg North Centre):** I can see there is one Liberal over there to whom there is no use appealing, because he is satisfied that the government is going to do something that is all right. Let me say to him that in the eyes of the Canadian people, and I think I am justified in saying so in view of the extensive mail which I am receiving every day, it is the view of old age pensioners that a contract is being broken. Not only was this a commitment made by Miss LaMarsh, Mr. Pearson and the Minister of Finance (Mr. Benson), who was then the Minister of National Revenue during part of this procedure, but we must consider the question of the taxes people have paid for these benefits. Some of these taxes were increased after the escalation was added. This was done because of the escalation clause and other things that increased the benefits, and it was done because the act itself gives no leeway and no opportunity to the Minister of Finance to cut back on the payments. The only thing he can do under the act, if there is a shortage of money, is propose to Parliament ways of making up that shortage.

In the eyes of the people of this country there was a social contract to pay these escalation benefits, and taking them away at this time is, in my view and in the view of Canadians generally, a breach of contract and a breach of faith. That is why I have emphasized so strongly the words "disappointment", "disillusionment", and "destroying equity". This represents the way the people across Canada feel.

When I look at this whole proposition, and if I can make any kind of division of these remarks this is my fifth point—there are only six with one "tiger"—I am trying my best to figure out why the Minister of National Health and Welfare (Mr. Munro) did this. He is certainly not the young man I knew when he first came to this House. He was a backbench Liberal sitting over on this side with lots of ambition, and with lots of the crusader spirit. He is not the young man I knew as a parliamentary secretary—I was going to say to the late Judy LaMarsh, but she is not "the late", she is still around—as

[Mr. Knowles (Winnipeg North Centre).]

Ed Murphy would confirm. In those days I thought the minister was going to try to take my place as the crusader for old age pensioners.

**An hon. Member:** They got to him.

**Mr. Knowles (Winnipeg North Centre):** Somebody got to him, because now he comes along with this cut-off of the escalation. He has given us arguments for this in his white paper and he tried to give us some arguments in the statement he made to the committee a few days ago. When I asked him yesterday or the day before, whenever it was, if he would give us a statement some day as to the rationale or philosophy behind all of this he said he would. I hope I am not pushing him too far when I say he has really admitted that he has not done so yet.

I think the Minister of National Health and Welfare has gone to the cabinet and said: Look, I have to get some money for old age pensions. I have to do something because Parliament is breathing down my neck, the Liberal backbenchers are breathing down my neck, the people are breathing down my neck and my neck is getting pretty hot. I have to do something. No doubt he argued for the principle in which he believed when he was the young parliamentary secretary or backbencher. He is still young but—

**Mr. Munro:** I am aging.

**Mr. Speaker:** This might be a good time to draw to the attention of hon. members that the time allotted to the hon. member for Winnipeg North Centre (Mr. Knowles) appears to have expired, subject to the agreement that he might continue.

**Mr. Knowles (Winnipeg North Centre):** Mr. Speaker, under Standing Order 75(9) is it not provided that the mover of a motion at this stage has 40 minutes?

**Mr. Speaker:** The Chair must recognize the point of order raised by the hon. member and indicate that he has another ten minutes.

**Mr. Knowles (Winnipeg North Centre):** Thank you, Sir. I was pretty sure of it and I had consulted the rule just before I started.

Let me return to the Minister of National Health and Welfare who says he has aged. I hope he is feeling old and burdened, especially in his conscience, as a result of what he is doing. I suspect the best he could get from the cabinet was an agreement that it would let him push around so many millions of dollars, but he would have to find a way to do it and would have to do it within the framework of the old age security fund.

So the minister got out his pencils, sharpened them and did some figuring. One of the places he decided he could save a few dollars was in the area of this escalation factor of basic old age pensions for those who did not draw any supplement.