

*Adjournment Debate*

**Mr. Kaplan:** It doesn't take long, but it is not inevitable. In that spirit I want to tell the hon. member that the government has found the report to which he referred to be an extremely valuable one, and that the Minister of National Health and Welfare (Mr. Lalonde) does propose that a far reaching study be undertaken of all pensions in Canada. We are now in the process of organizing a review of the entire pension issue.

The hon. member referred to the need, as he put it, to improve the Canada Pension Plan to the point at which it would provide a pension on the basis of 75 per cent of earnings. I might say that the Liberal Party of Canada supports that position. At our recent national conference a resolution very much to that effect was passed.

As for the question of the age of retirement, this is a much broader question than simply one of the government taking action. It is a question that I hope will be considered with a view not only to flexibility for a lower retirement age in our society in general but also flexibility for a later retirement age for those Canadians who choose to spend their senior years in continuing employment.

I was pleased to hear the hon. member say that he took a fair amount of pride in Canada's pension system, in old age security and GIS which are provided. I think he ought to do so. I think all Canadians ought to take a fair measure of pride in the burdens that they gladly bear to help assist our senior citizens.

However, I want to point to what I believe is a misreading of the report on the hon. member's part. It is true that the report notes that over one half of those over 65 have incomes that are regarded as being below the poverty line. But the report goes on to point out that they are eligible for some assistance through the federal guaranteed income supplement scheme, and that indeed over one half of our senior citizens receive this form of assistance, which takes their income up considerably higher. That is to say, a great many of the incomes of these people are lifted above the poverty line by the very programs in which the hon. member and all of us take so much pride.

Since October 1, 1975, the basic OAS pension has been \$129.28 per month for an individual pension. In addition, the single pensioner with no other income—

**The Acting Speaker (Mr. Turner (London East)):** Order, please. I regret to interrupt the parliamentary secretary but his time has expired.

REGIONAL ECONOMIC EXPANSION—SUGGESTED ASSESSMENT  
OF IMPACT OF REDUCED FEDERAL EXPENDITURES ON  
UNEMPLOYMENT IN ATLANTIC REGION—GOVERNMENT  
POSITION

**Mr. David MacDonald (Egmont):** Mr. Speaker, while the question I am raising this evening was originally raised on October 28 and had to do with the operation of the federal Department of Regional Economic Expansion, it is altogether appropriate that I should be raising the question again on the adjournment debate tonight, on the eve of the announcement of the government's restraint program in respect to its own expenditures.

Hon. members will recall that on October 28 I asked the Minister of Regional Economic Expansion (Mr. Lessard)

[Mr. Knowles (Winnipeg North Centre).]

whether or not he had been asked by his colleagues in cabinet to monitor any alteration in federal expenditures or programs which would have a negative impact on programs of regional development administered by his department or in which his department might have an interest and responsibility.

Before I elaborate on that question I want to say at the outset that this question is fundamental, I think, to the fiscal and economic responsibility of the government in regard to the disadvantaged regions of the country. I say that because of the experience we suffered about five years ago under a federal restraint program. Members in the House at that time and citizens generally will recall the situation that existed in this country when it was announced by the government that there was an overheated economy in the more highly developed parts of Canada, such as the central part of the country, around the Toronto area, and of course in western Canada, particularly in some of the major urban centres.

At that time there was a specific program of federal restraint, but to put it briefly, the war on inflation, which the Prime Minister (Mr. Trudeau) said would be wrestled to the ground, was fought very largely either on the backs of the low income people or of the people in the disadvantaged regions. Those of us who were able to monitor the cutbacks in federal expenditure which occurred in federal programs generally were unable to see at that time any kind of selectivity or priority in relation to the very real economic burden that existed in the Atlantic provinces, where unemployment was running at double the national average, where we experienced in many cases a very high cost of living factor while incomes generally were as little as half the national average.

That situation is now in danger of being repeated. I say that because very shortly after the announcement of the program of price and wage restraint by the Prime Minister on October 13 I asked, on October 20, the following question of the Minister of Finance (Mr. Macdonald):

● (2220)

—in view of the likelihood of there being some restrictions in federal expenditures. Will the minister be announcing a program or will he be designating the Minister of Regional Economic Expansion to be responsible for making sure that possible cut-backs in federal expenditures will not create further unemployment but rather that a specific program will be devised to deal with the difficulties in regions of economic and social disparity?

At that time, on October 20, as recorded at page 8339, the minister is reported as having said:

Mr. Speaker, when the colleagues of the hon. gentleman call for reduction in total expenditures we all bear in mind the difficulty this can cause in areas such as his.

I was quite frankly shocked at the lack of sensitivity or historical recollection to recall the previous difficulties we had encountered in the early 1970's in respect of the previous restraint program, and I asked the following supplementary question of the Minister of Finance. I asked whether there would be some flexibility with regard to these potential reductions in order that greater hardship would not be created for substantial numbers of the people in underdeveloped areas. The Minister of Finance in effect repeated his first answer and said: