

Canada Pension Legislation

received by Canadian citizens in 1967, it will not be good enough to leave the flat rate old age security benefit at \$75 per month. Just as the government has now made an announcement as to what is going to happen in 1966, 1967, 1968, 1969 and 1970, I think it should make an announcement as to its intentions for increasing the basic amount of old age security. It is still my view, and the view of this party which has backed me in the move I made in the committee, that the pension ought to be \$100 per month payable at age 65.

Nevertheless, Mr. Speaker, we welcome the announcement that has been made, and we are particularly glad that an important principle has been established, namely that the flat rate universal pension is to be paid to Canadians at age 65.

I have just one other comment to make. I noticed the suggestion of the Prime Minister that the \$500 extra exemption on income tax, which is now available to persons age 65 and over, is to be removed progressively. I gained the impression that it is to be removed one year at a time. May I suggest to the government that there is still time to deal with this suggestion, and that if the government feels that with these pensions being paid at these ages it is not necessary to have the differentiation that existed, rather than take away the \$500 extra exemption from those over 65 it would be better to increase the exemption for everyone to at least \$1,500 under the Income Tax Act. I think that is the kind of change which ought to be considered by the Minister of Finance when he brings down his budget.

Mr. Speaker, hon. members are well aware of the improvements we should like to have made, and I hope I have set them out clearly in the few remarks I have made to the house. But even if there is some suggestion of criticism, and a clear suggestion that something more should be done, on behalf of this party and on behalf of the Canadian people I would state that we welcome the kind of announcement which has been made today.

Mr. Bert Leboe (Cariboo): Mr. Speaker, on behalf of this group I should like to say at once that we are very happy the government has seen fit to bend its ear and pay attention to the proceedings of the Canada pension plan committee, which did work hard to produce results. I was interested in the announcement by the government to the effect that the gap between ages 65 and 70 will be filled. I refer to that gap as the time between the

normal retirement age of 65 and the eligible age for old age security at 70. We are very happy that this gap is being closed, and we should like to commend the government in this regard.

Mr. Speaker, I am very much concerned about the indexing or tying of the pensions to the cost of living. I am not suggesting that an increase is not needed, but I do think a periodical review is a much superior system to indexing, because by indexing we are opening a door which is tantamount to the lid of Pandora's box. I think we will find ourselves being pressured into indexing for many other purposes with the result of a loosening of the bands on inflation. I think the government should take a very serious look at this situation. If we were to make a proper analysis at this time of the cost of an increase in the amount of old age security payments I think we would find that the overall cost to the Canadian people would not be nearly as great as it might appear on the surface, because if you give the people of Canada something as of right you remove the necessity to give them something because they happen to be unfortunate and in need.

I certainly hope the government may see fit to increase the old age security payment substantially over the amount now paid because, as I have said, I do not think it will cost the taxpayers too much.

[Translation]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I was very interested to hear the Prime Minister (Mr. Pearson) state in the house that he intends to become more and more creditist between now and 1970, when he announced that in 1970, old age pensions will be paid without any means test, mind you, to every person aged 65 and over.

Now, this is precisely what the Ralliement Crétitiste advocated during the 1962 and 1963 election campaigns. At that time, the Liberals, who are now trying to interrupt me, were afraid of inflation. But when such a suggestion comes from the Prime Minister of Canada, undoubtedly, inflation is no longer a danger.

Mr. Speaker, we are all for the payment of a monthly pension of \$75 at age 65, but as pointed out earlier by the hon. member for Winnipeg North Centre (Mr. Knowles), what are we going to do about our older citizens until 1970?

At that time pensions of \$75 a month will no longer be sufficient. Why not provide immediately for such an old age pension for