

It is incumbent upon this government to look seriously at the problem in that perspective and to find a way that will enable everyone to enjoy a better quality of life without having to accept from the government a quarterly handout the money for which came originally from the taxpayers themselves.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I made an extended speech on this matter when we were at second reading and therefore I do not intend to take advantage of clause 1 to say it all over again. There are, however, one or two questions which I should like to put to the minister, and at some stage before we get through with clause 1 I should like to say a few words about the thousands of words used in this bill to try to say what it means.

My question to the minister follows the speech just made by the hon. member for Provencher. I was delighted to hear him take a strong stand for an increase in the basic amount of the pension but I think his statement would have been stronger if he had indicated a specific amount. As I said the other night, we think that the amount to go for now is \$200 a month.

I should like to ask the minister what happened to that principle, that article of faith that he proclaimed before the committee on March 13 when he downgraded escalation on a quarterly basis as a means of enabling pensioners to catch up and instead said that he would prefer to see more frequent increases in the basic amount. Surely, Mr. Chairman, the minister who took such a strong stand does not feel happy about having to sit in the House during a couple of days of debate on a bill that is going to offer only a \$5.30 increase for those who get the basic amount and only a \$9.02 increase for single persons on the full supplement.

I take as the basis for what I am now saying to the minister not only my own speech of a couple of days ago but the speech just made by the hon. member for Provencher. I ask the minister why he did not come into the House at this time, in view of the tremendous pressure being exerted on our senior citizens, with something a lot better than this, namely, a substantial increase in the basic amount in keeping with his article of faith of March 13.

Since we are in committee of the whole I wonder if my friend from Témiscamingue would mind letting the minister answer my question.

Mr. Lalonde: Mr. Chairman, I have not changed my point of view on this matter. I think all around it would be preferable still; I feel that we should proceed by an increase in the basic amount rather than just escalation. At the time I made that statement, however, I would remind hon. members that we had not had the increases in the consumer price index that have occurred over the last few months. Maybe I was naïve, but I was certainly hoping that we would not see such a large increase in the consumer price index over the next few months. The events of the last few months have certainly required a re-evaluation of the situation.

As I said at the time, this change is going to cost between \$1½ million and \$2 million in additional administrative costs. This is not the solution I enjoy. I would

Old Age Security

certainly prefer to see this \$2 million go to our senior citizens in increased benefits. It is felt, however—and I feel this—that in view of the recent increase in the CPI, the move to a quarterly escalation is the appropriate move at the present time.

● (1630)

The hon. member has referred to “only an increase of \$5.30” for a pensioner on the basic pension. May I go to the other limit and refer to the couple on GIS: this represents an increase of over \$17 a month, which is pretty substantial. If it does not make the people richer in terms of real benefits, it certainly will make sure that they are not hurt by inflation. That is the object of this bill.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I have one more question for the minister. I wonder if he would not like to reconsider what he just said. He said that maybe he was naïve in March. I liked him when he was naïve. Is not the fact that the consumer price index has gone up so much more than he thought it would actually an argument in favour of the principle he announced in March, namely, that the best way to enable our senior citizens to catch up is by more frequent increases in the basic amount?

Before he answers perhaps I might say that I was not leaving out anything, at least I thought I was not, when I indicated only two increases, the \$5.30 a month for a single person on the basic pension only and the \$9.02 per month as the maximum increase for single persons getting both OAS and GIS. The minister quite properly added a third figure and said that a couple getting the maximum under OAS and GIS would get \$17.20 a month more. But that is for two of them and is only \$8.60 a month for each person, which is less than the single person gets. Surely the minister cannot be proud of that.

Perhaps I should not push him too hard. He has already said he is not happy about this. Is it not a fact that the very substantial increase in the cost of living that the minister referred to is an argument for a substantial increase in the basic amount of the pension at this time?

Mr. Lalonde: Mr. Chairman, I would hate to disagree with the hon. member on this point. The fact that there has been a substantial increase in the cost of living requires a substantial adjustment that will take into account that increase in the cost of living. That is exactly what we are doing now. The matter of getting to our senior citizens a larger share of the gross national product or of federal government expenditures is an issue that is totally different from that to do with the cost of living. It is an argument saying that out of the money that is allocated in the social field we should at this time allocate again, in addition to the real increase that was granted as recently as within the last six months, another increase in real terms thus adding to the share that senior citizens of this country are receiving of the moneys allocated for social purposes. I do not need to recite all the arguments that have been made in this respect having to do with the level of moneys or social allowances paid under social assistance plans coming under provincial responsibility. The hon. member knows about them as well as I do.