

time and referred to the Standing Committee on Health, Welfare and Social Services.

**Mr. John Burton (Regina East):** Mr. Speaker, when the debate was adjourned yesterday afternoon, I was in the process of urging the government to reconsider the legislation now before us and to bring forward a better bill for the elderly people of this country. I was suggesting that the government ought to be concerned about the process of alienation, to which attention has been drawn on a number of occasions by many speakers both inside and outside this House, and saying that feelings of alienation arose, too, among the old people of this country, the retired people. Unless there is a change of heart on the part of the government, the measure now before us will be greeted by many of the retired people in Canada with scepticism and cynicism.

The bill we are now being asked to pass must, in my opinion, be related to the over-all economic situation in Canada. I do not intend to get into a general discussion of this subject, but I feel there are some relevant points which must be considered in the context of the legislation before us. In many respects it appears the government is acting on the basis of its policy to date, that is its unwillingness to tell the private sector, the corporate sector of the economy, that any action will be taken against it. For some time now, the government has been concerned about inflation and has geared its policies to an anti-inflation approach. Hon. members opposite say, now, that inflation has been slowed down; the government feels it has the situation under control. But they are worrying about a new wave of inflation which may arise in the future and, at the same time, they are bound to consider the high unemployment levels which exist in this country. We hear comments about what is likely to happen during the next round, the next cycle in our economic affairs. We are on a sort of merry-go-round; we are going through the same boom and bust cycle as before. Indications are that the variations in the performance of the economy are becoming greater with each cycle. Each of these variations is tied to the structure of the economy and to government policies in relation to the economy.

I do not wish to discuss this subject in detail, but I feel obliged to mention certain aspects of it; the fact is that the government, given the set of assumptions on which it has been working, has failed to control the course of economic affairs satisfactorily. I grant that hon. members opposite would like to be able to influence the course of economic affairs, to bring them under some control and make them subject to a degree of stability. But they have not found the means of doing so up to the present time, given the assumptions on which the government is working.

I was pleased to note that the Minister of Labour (Mr. Mackasey, speaking in another debate in this House this week, did indicate that it might be necessary for the government to move to implement some form of selective control when dealing with the next cycle in our economic affairs. But regardless of what happens, of how success-

### *Old Age Security*

ful or unsuccessful we are in controlling some of the economic forces in Canada, we must protect those who have been economically hurt; and the number one group of people who must be protected and helped is those on fixed and low incomes. The first group of people in this bracket is the old age pensioners of Canada.

• (3:00 p.m.)

This was pointed out by members of this party in a minority report submitted last February to the House of Commons by the Standing Committee on Finance, Trade and Economic Affairs dealing with interest rates and the whole problem of inflation. We disagreed with some of the basic premises of the majority report of the committee and suggested that, as a basic starting point, we had to develop long term policies to deal with the problems of income distribution. One of the recommendations of this minority report was that to achieve the objectives of an equitable distribution of income, and an equitable distribution of the economic burden of rising prices, a comprehensive incomes policy should be adopted. Then, we went on to explain in these words:

It is essential that what we mean by an incomes policy be well understood. To be meaningful, it must be comprehensive, it must include all forms of income. In addition to wages and salaries (the salaries of members of parliament included) all forms of non-wage and non-salary income—including profits, rents, interest, professional fees and unincorporated business income must be subject to the policy.

The Comprehensive Incomes Policy must include the provision of a guaranteed annual income, to avoid injustice and hardship. It must be flexible enough to take account of (1) the plight of low paid workers (2) disparities within industries and classes of employees (3) increases in the cost of living and (4) other factors causing disadvantage to groups or regions.

We put forward this proposal in terms of its being a long-term policy approach, recognizing that there are problems in implementing such a policy and that this would take time. Thus, we suggested there should also be short run measures to deal with some of the immediate problems that face the Canadian people. The number one item in the list presented in our report, submitted on behalf of the members of this party by the hon. member for Waterloo (Mr. Saltsman) and myself, was that we should immediately compensate the victims of inflation by ensuring that welfare benefits rise at least as fast as the cost of living index. We suggested this should be done in this way:

—by abolishing the ceiling of two per cent per annum which the Liberal government has imposed on the rise in old age pensions and benefits under the Canada Pension Plan.

—by regular increases in the minimum wage and farm and other primary support prices.

—by requiring private pension plans to be based on best years' earning with a cost of living escalator.

This recommendation does not assume that existing levels of pensions are adequate. An essential first step is to bring them up to the level necessary to meet the cost of living today.

I suggest that if the government had given more consideration to these recommendations instead of the recommendations submitted by its back bench members, it would have been in a much better position today than it is.