

Canada Pension Plan

he plans to do, he will place on the record the actual motion that he and I put before the special joint committee on February 8, in which we asked that committee to make a recommendation to the effect that the pension be \$100 per month at age 65. I am sure he will also point out what the vote was on that occasion, and that on that specific proposal he and I were the only ones prepared to vote in favour of it.

In the meantime, Mr. Chairman, support has grown for this proposal, and I feel I must say to the government here, as I have said on other occasions, that I do not think the government is going to be able to get away with this pension plan, starting, as it will, to pay benefits in 1967, without there being at some time an increase in the pension benefits of those who are already retired. That is a reason supplemental to the one I gave a moment ago, but I think that along with the benefits that people are going to get from the Canada pension plan portion of Bill C-136 there should be and has got to be an increase in old age security itself. We will get to that when we study the clauses of the bill after the resolution is passed. We may get a chance on third reading if we do not get a chance before that, but I urge the government in the remaining hours or days, whatever they may be, that this bill is under consideration to look at the whole picture realistically.

The present government is going to get a good deal of credit for the Canada pension plan. I say that without reservation. Despite all the criticisms that the Kilgours and others have made, in the years that lie ahead people are going to be glad that this earnings related plan was put on the statute books. People are going to be glad that the old age security was already there. People are going to be glad that there is this combination which makes it possible for people at the age of 65 to retire and have \$150, \$200, \$250, perhaps \$300 a month, depending upon the age of the man and wife, depending upon earnings and so on. People are going to be glad this was done. This is, therefore, a red letter period in our Canadian history but I say to the government that the encomiums it is going to get are going to be softened, that against them there is going to be real criticism over the fact that for all those now 70 or over there is nothing whatsoever. I think the government should go all the way and give parliament the chance to pass a package that will really do the job by associating with the benefits of the Can-

[Mr. Knowles.]

ada pension plan, by associating with acceptance of the principle that old age security should be paid at age 65, the proposition that the old age security pension itself should be \$100 a month at age 65 for all our people.

In the course of her remarks today the minister referred, as the Prime Minister did on the 17th of February when he made this historic announcement, to the changes that will be made in the Income Tax Act under which the \$500 additional exemption now enjoyed by people who are 65 or over is to be amended with the result that all those between 65 and 70 who are drawing old age security benefits will have that \$500 exemption taken away. The more I think about it the more I feel that the suggestion I made more or less off the cuff on the 17th of February when the Prime Minister made the announcement is a suggestion that the government should consider seriously.

The government knows that there is a very strong feeling in this country that the \$1,000 and \$2,000 income tax exemption levels we now have are not high enough in relation to today's cost of living. Therefore if the government feels that there should not be this discrimination in favour of people between 65 and 70 by their having the extra \$500 exemption, I suggest that the way to cope with that situation, instead of taking the exemption away from them, is to raise the exemption level for single people to \$1,500 and to raise the married exemption from \$2,000 to \$3,000. I want to put in the caveat that I heard the Minister of National Revenue make in the course of his statement in another place yesterday, which I have made many times on the floor of the house, that when you do that sort of thing, when you raise the exemption level you have to adjust the income tax rates in the various brackets above that level. Otherwise you are giving to the millionaires a windfall, a word we have heard a great deal in this chamber these days but which I think has been used erroneously, and you are giving very little to those just over the exemption level.

I urge, Mr. Chairman, that before budget time comes around the government reconsider its position in regard to the \$500 exemption. Do not take it away from those now between 65 and 70. Give it instead to all but make the necessary adjustments of the rates so that the benefit of income tax decreases will go mainly to those in the lower brackets and not just in bonanzas or windfalls to those in the upper bracket.