

welfare or pension bill would not have to be followed by a hard bite of taxes.

The government has a responsibility and the mover of the motion would, I think, wish us to pursue those fiscal and monetary policies which will halt the inflation. If we do not do that, there is no safe way by which we can build a policy of escalation into our pension program, do this or that, or spend more money in this or that direction. Responsible fiscal policy at this stage of the business cycle and resource development in Canada must have a high priority. This is the kind of thing the government must do.

This is not the kind of thing which easily wins elections but I hope we have got over this business of trying to outpromise each other at election time in respect of what we will do for our older people. A more cynical approach could hardly be built into a democratic society. We are saying now to our older people what we have said before, that is, that the record to a considerable extent speaks for itself. The record is that which the minister placed before us this afternoon. Every year not only in terms of concept, not only in terms of programs and not only in terms of proposals that go before this house, it is hard cash that is spent on pensions. The improvement has been there. The proportion of our national resources devoted to this sector has been consistently increasing over the period. The government has the over-all responsibility of balancing not only the claims of those who are retired, however just, however meritorious and however sympathetic we are to their claims—no one can say we are not—but also the priorities for the development of Canada and the policies that the treasury must pursue, however difficult they may be to apply, to restrain the inflation which has been so erosive and so destructive to those on fixed incomes.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I shall speak briefly. I think it would be unfair to utilize all the time available to me since this debate is of one day's duration. I find myself applauding the initiative of the veteran, honourable, learned and compassionate member for Winnipeg North Centre (Mr. Knowles). Other adjectives I shall leave to those who know him better. Since I have been here I have often found myself in general agreement with some of the policies of the New Democratic Party. However, many of their suggestions strike me as being utter or nearly utter nonsense. Quite often they come up with some very good

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ideas, although in the last few years they have struck me as becoming so conservative that a progressive like myself feels a little ill at ease in their intellectual company.

Mr. Knowles (Winnipeg North Centre): Does the hon. member realize that maybe because he is sitting so close to us he has absorbed more than he realizes?

Mr. Macquarrie: It is quite possible, Mr. Speaker, that the force of osmosis is stronger than the declining force of their philosophy. I just want to say that this is one of those subjects which should certainly transcend politics.

● (5:10 p.m.)

I am glad the hon. member for Ottawa West (Mr. Francis) stayed only a short time with Mackenzie King. Many things could be said about Mackenzie King and his successors with regard to which we could find a lot of room for argument but which would do very little good for people on fixed incomes and with inadequate resources. I would only say to the hon. member for Ottawa West that inflation is very much in the minds of those who are supporting this suggestion. As I understand it, what the hon. member has in mind is that the chief victims of inflation are the people to whom we are turning our attention. It is not the case that in a moment of fiscal irresponsibility we are forgetting inflation, it is because there are sectors in our society which cannot forget inflation, those who are walled-in victims of inflation, those on fixed and inadequate incomes, that we are asking that something be done and done on a basis of priority.

The hon. member for Ottawa West referred to some of the plans; he mentioned the Canada Assistance Plan and other measures which have been introduced. He might also have mentioned the last report of the Economic Council of Canada which indicated the prevalence of poverty in this country. One would think sometimes from hearing public statements by public men that this is a country in which only affluence prevails. There are many people in this land with incomes below the poverty level. It is a terrible thing that people are walled and fenced in by incomes which were perhaps not even adequate in the days when they were set but have become painfully inadequate as the value of the dollar has deteriorated and the rate of inflation has progressed rapidly, almost beyond control. I think the eminently sensible suggestions which have been made in reference to