

Old Age Security Act (No. 2)

us to create jobs for younger people who in turn want our economy to flourish. When we are moving ahead as a country, every Canadian is better off, including the elderly and those who have families. All Canadians will be proud to have a Government which has found an effective way to solve the problem without being unduly harsh towards its citizens.

● (1140)

[English]

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, this Bill has to be debated in terms of the whole picture of the six and five program, as the previous speaker mentioned. When I spoke on Bill C-131, I tried to put the perspective before the House as to where the Bill fitted into the course of parliamentary action over the last 40 years. In case there is anyone in the House who was not here at that time, I took as my starting place the official history of Canada from 1939 to 1957 called "The Forked Road", by Donald Creighton, just deceased a couple of years ago. He was then our leading historian. "The Forked Road" is the final copy in a series of 18 volumes of Canadian history, written by Canadians for Canadians and paid for by the Government of Canada. It was called "The Canadian Centenary Series".

I had a little fun the last time I spoke by saying I had never found another Member of Parliament who had read it, even though copies were handed out free to Members. They were too busy. I would plead at this time that some Members take the time to read what were these forks in the road that we chose in the war years and following. I mentioned one, that Members of all Parties had accepted the concept of the social revolution which is world-wide and will continue to be the main force for probably another 100 or 200 years. I pointed out that there was a Keynesian consensus that we all had to follow, as the economic victims of Keynes.

There was also the question of who should govern. That was the philosophy of elitists. Some of these forks in the road have to be considered again. This legislation or group of Bills we are now putting through have to deal with the question of how we can apply some slowing down to the expansionary nature of our cost-push inflation.

● (1150)

I think it is well known that both Government Members and the Official Opposition supported the concept that we should reduce the rate of income growth for the next two years to an expected rate of inflation of about six and five. But they have run along with that a lot of other connotations and thoughts which could only be described as the result of diseased thinking of the mandarins. To reach this exalted position of being an elitist in Government, according to their own words you must be consistent. What you do for one person, you must do for everyone, regardless of written contracts, moral obligations or common sense. Everything has to be consistent.

In the case of those employed in Government service in the last ten years, they have not only paid for their indexing, they

have paid double and the figures show it. The Government made money out of that huge amount of money they took from civil servants to pay for indexing. In this case, however, it is a little different, and to understand the difference I think you have to know just a little about the history.

I believe it was the Hon. Peter Heenan, Minister of Labour in 1924, who first brought in the old age pension at \$20 a month. How welcome that was to people who had no chance to build some security for their retiring years. The old age pension of \$20 a month was a great mark of acceptance in Canada of the social revolution. I might say in passing that the Hon. Peter Heenan called himself a Liberal-Labour and he was our next door neighbour when I grew up, so I have some knowledge of him.

Then jumping ahead to the "six buck boys" of 1956, we had a very good Minister of Finance who was persuaded that the time had come to raise the old age pension. He was persuaded by this elite corps which had now expanded and taken more control than they had in the earlier days. They said all we can afford is \$6, so they were named the "six buck boys", raising the pension from \$40 to \$46.

Then we have the Diefenbaker period and we got it up from \$55 eventually to \$65, aiming for \$100. Then a Conservative by the name of Stanfield took advantage of discussions we had in caucus and proposed that, with inflation beginning to rise, everyone—those on fixed incomes particularly but even those working under contract—should be indexed so that they could protect themselves against inflation and stop the Government from reaping profits out of inflation.

That proposal by the Hon. Mr. Stanfield was accepted by all parties of this House, and I think sincerely and honestly. Naturally, as it was accepted the civil service stepped in and charged all Government employees an extra amount to pay for indexation. I covered all that in my remarks on Bill C-133.

In the case of Bill C-131 that we are discussing, the situation is different. The difference is that there is no contract on paper concerning indexation, but there is a moral contract with all parties who supported it in the House. It is generally assumed by many that the Old Age Security cheque is a hand-out from the Government. When that program was introduced in its modern form it was supported by a program of taxation of two, two and two—2 per cent of this tax and 2 per cent of that tax, to be put into this Old Age Security amount. These people have paid all their working days without even knowing it was for their old age pension. So it is a non-written contract.

I want to conclude, Mr. Speaker, by saying that even though I can honestly and gladly support restraint of six and five on the growth of income for people still working, it goes against the grain of all of us to take advantage of people with whom we have a contract, written or unwritten. I suggest that by worshipping this concept of the rationalists that everything has to be the same regardless of contract or principle, we do ourselves and this Parliament an injustice by putting this Bill through.