

is why I continue claiming that this amendment is admissible.

[English]

The Chairman: The hon. member for Shefford has presented a motion for the consideration of the committee which if accepted would mean that clause 1(1) would read in part:

"Consumer Price Index" with respect to any adjustment quarter means the average for that adjustment quarter of the consumer price index for Canada, as published by a scientific private body of statistics under the authority of the Statistics Act, for each month in that adjustment quarter;

The Chair has very grave reservations about the amendment in that it might involve an amendment to the Statistics Act which is not before the House or the committee at this time. I have a further reservation as to the amendment. I would draw the hon. member's attention to citation 246(3) of Beauchesne's Fourth Edition, where it is stated:

In relation to the standard thereby fixed, an amendment infringes the financial initiative of the Crown, not only if it increases the amount, but also if it extends the objects and purposes, or relaxes the conditions and qualifications expressed in the communication by which the Crown has demanded or recommended a charge.

With respect to the hon. member, I think his proposed amendment would be quite a departure from the recommendation of the Governor General, and on that ground would fail to meet the time-honoured practices of this House. For those two reasons, more particularly the second one because the Chair really does not know the ramifications of the proposed amendment in respect of the Statistics Act, I have to declare the amendment out of order.

[Translation]

Mr. Fortin: Mr. Chairman, on a point of order.

I shall be very brief. I would like, most seriously and sincerely, to thank you just the same—even though we are disappointed that our amendment was rejected—for having given us the opportunity of pleading its case. The right to do so was denied us, Friday, which is a pity. But now we see that the Chair is honest and objective.

[English]

Mr. Epp: Mr. Chairman, in rising to speak on clause 1 of Bill C-219, there are a number of points I want to present to this committee. Specifically, I wish to clearly point out what I feel are the shortcomings of not only the bill but also the solution which, hopefully, is to be brought about in relation to the financial position or purchasing position of our senior citizens.

As a result of clause 1 of the bill before us we will see an adjustment on the basis of calculations to be made quarterly in respect of the guaranteed income supplement, in the hope that with these increases pensions will keep pace with today's rapidly rising rate of inflation. This bill will cause indexing to be done on a quarterly basis, and I assume it is the government's intention that this will enable the old age pensioner to re-establish his purchasing power. Let me very clearly point out to the minister that all we are doing by this bill in respect of indexing is enabling the old age pensioner to re-establish his purchas-

Old Age Security

ing power in respect of a three-month period during which that purchasing power has been severely eroded.

In addition, we are taking for granted that if the purchasing power is indexed three months back to before the inflationary spiral occurred, this will be sufficient. I submit this is not the case and it is a fallacious premise on which to start indexing old age pensions or social security payments. Let us for a moment consider the financial position of many of our old age pensioners. During their working years all too often the remuneration received for their work had to be used for buying the necessities of life; they had no financial ability or opportunity to establish a voluntary retirement fund. Therefore such a fund simply does not exist for many of these people.

Furthermore, the Canada Pension Plan came too late for many of these people, in that they were not able to contribute to it and thus supplement their old age pensions and social security payments. If they were able to pay into it, they receive only the minimum benefits after a five-year period. In spite of these encumbrances, many of our senior citizens scrimped and saved through the years and were able to build a small nest-egg which in many cases represented their only financial security for retirement. This small financial resource was to give these people security, and today it is being callously eroded by the high inflation rate. This nest-egg is literally worthless today compared with its value at the time it was saved. So what is involved is not simply indexing old age pensions but dealing with the inflationary situation in which we find ourselves.

• (1610)

The greatest tragedy is not simply erosion of purchasing power but erosion of the security to which these people are entitled and which they should demand because of the contribution they made to this country. It is our responsibility to return that security to them. The old age pensioner is no benefactor of galloping inflation, neither is the consumer. There is only one benefactor and that is the government. Although the income of workers and corporations has risen, purchasing power has not risen. It has not kept pace. But up until now the government has taxed higher earnings even though those higher earnings have not provided an increase in purchasing power. As a result, the government has a surplus of funds and with its largesse can now say, "We will give the old age pensioners some money."

The government now says it will provide indexing of pensions on a quarterly basis, something it said previously was financially impossible, not to mention logistically impossible. Suddenly it has become possible. The government now is going to repay the old age pensioners with money it has already taken from them. While I support indexing of pensions, one clear fact remains; that is that this bill will not restore to old age pensioners the purchasing power they had last January. Not only do we need indexing of the pension; we also need a higher base from which to start. Only in that way will we increase the purchasing power of old age pensioners. We are not increasing the purchasing power of old age pensioners through indexing. It is to be hoped that that power will remain equivalent to what it is now.