

The hon. member for Winnipeg North Centre referred to two single men, one of whom obtained \$109, and the other \$110. The man with the slightly larger income was worse off because he must pay his own OHSIP fees, whereas the fellow receiving \$109 does not have to pay them. That illustrates the inequalities and discriminations inherent in this bill. There are no incentives for saving. In the near future, once you reach the age of 60 you will have to rely on a magnanimous government and the money it will give you will not lift you above the poverty level. If you meet certain requirements, you will be entitled to a supplement. Will people not try to meet those requirements. Since it will not pay to save, you will either give your money away or hide it in some way so that it will not produce any income. That will be the effect of what the government is doing. It is ensuring that all our senior citizens will live on or below the poverty line.

It is true that there is to be an adjustment for the rising cost of living for those receiving the guaranteed income supplement. May I point out that there is a surplus in the old age security fund of about \$725 million. At present there is just no incentive for people to provide for their old age. The government's measure, therefore, would introduce an element of inequality and discrimination for our aged population. The government should opt either for the principle of selectivity or the principle of universality. For programs such as national medicare it has opted for universality; yet, when dealing with old age pensioners it is adopting the principle of selectivity.

An hon. Member: The poorest of the aged will obtain a supplement.

Mr. Rynard: The hon. member is right. The poorest ones will get the supplement. Those who are not quite so poor must starve a little. It is hoped that the government will accept at least the modifying influence of the amendment proposed by the hon. member for Winnipeg North Centre so that we may do away with a little bit of the disappointment, disillusionment and sadness, and the spirit of Scrooge that has been written into this bill.

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, I should like to refer to one aspect of Bill C-202 and, for a few moments, speak on it. The Minister of National Health and Welfare (Mr. Munro) recently reminded us that the cost of living escalation feature was introduced in 1965 into the old age security scheme and the Canada Pension Plan. This was extended to the guaranteed income supplement in 1966 so that all our older citizens from that time on would no longer need to absorb the full brunt of the inflationary pressures in our economy. He explained that the 2 per cent maximum figure for escalation had been set in his office after taking an average of the cost of living increases over the previous ten years. Because this average had worked out to 1.5 per cent, the figure of 2 per cent had been set to provide a small margin for error. Any provision for abnormal increases was left for the government of the day; the government was to bring this before Parliament, and parliament would deal with it.

Old Age Security Act

Mr. Orlikow: And what happened?

Mr. Osler: If the hon. member will just wait, he will hear what I have to say. Later, inflation began to take place at a much greater rate than 2 per cent for a number of reasons, as we all know; yet nothing was done to increase the cost of living escalation feature in any of the plans that we are now reviewing and amending in this bill. Nothing was done because the minister said that he felt that inflation can and will be beaten, and that the cost of living increase in the future can be held below 2 per cent. That well may be so. The latest figures support this hope, and the government must be commended for these latest figures. We could say equally well that if inflation has been licked, all will be well from this day forward in. My question is this: why not transmit this hope into legislation?

Actually, we have come close to doing just this in so far as the guaranteed income supplement is concerned. The government has argued that this cannot be done for the old age security scheme itself, which is universal in application, if sufficient money is to be found to help those who need help most by means of the guaranteed income supplement.

• (4:40 p.m.)

This is no doubt an unanswerable argument. We must not forget that this government—any government—must put up or shut up and face the people with its tax proposals. And taxing is not popular.

I suggest that if this line of reasoning must be accepted, however, it must itself suggest that the government does not believe it will be able to contain cost of living increases on a long term basis to any significant degree. For if it did manage to contain them, only a relatively small predictable amount of extra money would be needed for escalation of the old age security payments. On the other hand, if the cost of living continues to escalate, so will the amount that the government receives in tax revenues, because the gross national product will also continue to rise.

If the government means what the Minister of National Health and Welfare has said, that we will ensure the maintenance of a guaranteed income floor for our older people, all citizens of this country must be asked to continue the good fight against inflation. But they must also be prepared to guarantee that our senior citizens, including those with some savings, but to whom the basic old age security payment is still important, are not left to bear the full brunt of the results if and when this fight is not waged as successfully as it might be. The minister stated the other day that we can do no less for those who have done so much to make our society what it is today; and I agree with him.

The minister correctly stated that nothing should happen to those who are only receiving \$80 a month with no escalation under the scheme we are now considering. If they should eat up a portion of their savings in their old age, or if they should have some misfortune, they will then be able to fall back on the guaranteed supplement