

*Income Tax Act*

means of a 2 per cent social development tax a further portion of the very money that we have given them by way of a guarantee. Yet the Minister of Finance expects us to support this legislation.

The minister looked somewhat annoyed with me when I suggested that I was going to move the six months' hoist. This bill should be defeated completely. It should not be put on the statute books of Canada, a country that regards itself as progressive and is concerned about the well-being of its people. We are going to have a budget speech tonight and we may get some legislation.

**Mr. Benson:** I wonder whether the hon. member would permit a question? In speaking about the treatment of old age pensioners does he not also recognize the fact that pensions have been increased by this and previous Liberal governments by \$42 per month since 1963?

**Mr. Knowles (Winnipeg North Centre):** I almost wonder whether the Minister of Finance is a mind reader because he asked a question that leads right into what I was going to deal with at this point.

**Mr. Benson:** Your mind is easy to read.

**Mr. Knowles (Winnipeg North Centre):** If my mind is so easy to read, perhaps the minister will tell me what I am going to say.

**Mr. Douglas (Nanaimo-Cowichan-The Islands):** If the minister could read your mind, he would be insulted.

**Mr. Knowles (Winnipeg North Centre):** The Minister of Agriculture (Mr. Olson) says he does not agree with me. He used to agree with me in the times when he sat over here, but since then he has been metamorphosed. The Liberals like to give us that old line about what has been done by way of increasing old age pensions. Of course they have been increased a great deal. When I came here they were \$20 a month; they are now \$105, plus some little 2 per cent additions. Of course there have been changes. There have also been changes in the cost of living. Even members of parliament do a little better now than they did when they got \$4,000 at the time I first came here.

Let me say to the Minister of Finance—and I will tie in my answer to the question he just put to me—that I can also read his mind; I know that he is going to talk tonight a great

deal about inflation. All the bank presidents, all the financiers, and all the big important people who run this country, are talking about inflation. They say we have to do something to check inflation. What is it that they want to do? They want the little people to tighten their belts. That is what this 2 per cent social development tax is all about. It is a demand that the little people carry the brunt of the battle against inflation. I say to the Minister of Finance in answer to his question about old age pensions that when the government does nothing to help old age pensioners keep up with the rising cost of living and the rising standard of living, when the government contents itself with an act under which pensions are increased by only 2 per cent although the cost of living may go up by 4 per cent, that is exactly the same as taking money away from old age pensioners.

If the Minister of Finance and his colleagues had any sense of shame at all, they would not stand up and boast about the increases that have been made in old age pensions. In these days and these months they are taking money away from old age pensioners. They are actually reducing the amount that they have to buy the necessities of life. If they went into their pockets—I was going to say to their bank deposits but they do not have bank deposits—if they went into their homes and robbed them of their money, it would not be any more a case of robbery than it is for this government to give old age pensioners and a few others only a 2 per cent increase when the cost of living has gone up 4 per cent. What the government is doing by this kind of method is to require old age pensioners and war veterans to reduce their standard of living. I tried this afternoon to get the Minister of Veterans Affairs (Mr. Dubé) to take effective action for the war veterans. I am sure that if he resigned on the issue of the Woods report, it might be referred to the Veterans Affairs Committee two days later and action taken there, just as we got action on housing. This action with regard to old age pensioners also applies to superannuated civil servants, retired pensioners of the C.N.R., and people in receipt of family allowances. The government is asking these people to fight the battle against inflation.

• (3:50 p.m.)

Yes, these are the people who are being asked to fight the battle against inflation. Are the presidents of the chartered banks taking