

*Adjournment Debate*

At page 1:12 of the report for that day there is an indication of a discussion about the escalation of old age security. The request was being made by Liberal members that the then annual escalation be put on a quarterly basis, and this was the reply of the Minister of National Health and Welfare:

Of course it would be possible to have it twice a year. Theoretically it would even be possible to have it every three months. But every time you do that you increase your cost of administration; we have calculated that it would add about \$2 million to the cost. And the money that you add to the cost of administration would not go to the senior citizens. So my inclination at the present time is to try to increase more often the total amount of benefits, including escalation, rather than load the system with more frequent escalation—

Over at page 1:22 of the same day's record the minister is reported as having said:

My point is that one way for Parliament to compensate for this unavoidable lag is to change the basic amount, every once in a while, as has been done at different times, and people catch up then—more than catch up—on what they might have lost in terms of the delays in the escalation. That is what I meant.

That was the point I was trying to make to the Minister of National Health and Welfare the other day. Escalation on the basis of the consumer price index, in which there is always a lag, never enables pensioners or recipients of family allowances to catch up with the cost of living, let alone with any rise in the standard of living.

The minister has enunciated the proposition that every once in a while there has to be an increase in the basic amount. I believe that is what Mrs. Plumptre was calling for, and that is what I am calling for now. I insist that the time has come for the government to quit relying on the quarterly escalation answer every time the plight of pensioners is raised. The time has come for an increase in the basic amount. On this first occasion of a late show in this session I want to establish this point and make it clear that this is a point I shall keep pressing until we win it.

I appreciate the fact that the minister is not able to be here tonight to answer my question, but he is well represented by a new member in the person of the hon. member for South Western Nova (Miss Campbell), who comes into this House as the Parliamentary Secretary to the Minister of National Health and Welfare and will shortly be making her maiden speech. For once that phrase seems to apply, does it not?

I welcome the hon. lady particularly because she comes as the representative of a constituency that includes the area of Barrington Township, into which my ancestors moved over 200 years ago. I still regard that area as my ancestral home. I am very partial to that part of Nova Scotia and I know the kind of people the hon. lady represents.

I hope that in her initial statement tonight she will recognize the point that I am trying to make and that she will speak for her pensioners as others of us are trying to speak for the pensioners across Canada when we say that although we have welcomed quarterly escalation, if that is all we get we might as well not have secured it. What is necessary now is an increase in the basic amount of old age security and an increase in the basic amount of family allowances, and I hope that the hon. lady will be able to tell us tonight that this basic problem is under consideration.

[Mr. Knowles (Winnipeg North Centre).]

**Miss Coline Campbell (Parliamentary Secretary to the Minister of National Health and Welfare):** May I first congratulate you, Mr. Speaker, on your appointment and wish you success in the future. I must confess that I feel a certain honour that, not only as a new parliamentary secretary but also a new member of parliament, I have the pleasure of replying for the first time to the hon. member for Winnipeg North Centre (Mr. Knowles), a member whose skill as a great parliamentarian is well known.

However, to get down to the specifics of the hon. member's question, since he is referring to the recommendation of the Food Prices Review Board I would draw his attention to the following quotation from page 2 of the report of the board, which reads as follows:

In the first half of 1974, after tax income in Canada rose rapidly over the corresponding level in 1973. With the exception of farm income, the main components of personal income have displayed more rapid rates of increase this year than in either of the two previous years. Transfer payments from government, reflecting particularly the substantial boost in family allowances, have played an important role in the increases in personal income this year although gains in labour income and in unincorporated business income have been building up as well.

Although I need not remind the hon. member of certain facts, I would point out to other new members like myself that family allowances were increased effective last January 1974 from an average of approximately \$7 to an average of \$20 per child. This amount will again be increased in January 1975 by an amount proportionate to the change in the consumer price index. I would also point out that the old age pension is being increased every three months to take into account increases in the cost of living. At present, a Canadian citizen of 65 and over is in effect guaranteed an income of not less than \$199 a month.

**Mr. Knowles (Winnipeg North Centre):** And ten cents.

**Miss Campbell (South Western Nova):** All this talk of personal income and after tax income may lead the hon. member to think that I am too buried in statistics to be aware of the poverty in which many of our families and senior citizens in my own area and elsewhere in Canada find themselves today. Quite the contrary. In my experience as a legal aid lawyer I have seen firsthand many of the problems they face daily. But I disagree with the hon. member when he says that a blanket increase in family allowances and old age pensions is the way to really help them at this time.

This government is presently engaged in a review of the entire social security system. As an interim step in this review the government has committed itself in the Speech from the Throne to providing allowances on an income tested basis to spouses aged 60 to 65 of old age security recipients. The speech also stated that:

The federal-provincial social security review is continuing on an urgent basis. Studies on alternative approaches to the reform of the income security system are expected to be sufficiently advanced to enable federal and provincial ministers to agree upon a preferred approach at an early date. Similarly, it is anticipated that proposals for the reform of social services will have been agreed upon shortly.

**Mr. Speaker:** I regret to interrupt the hon. member but her time has expired.