

trying to retain their properties. I know several. In my constituency, Halifax-East Hants, there are people who will eat only one meal a day instead of three. Those people will do almost anything to retain the place in which they have lived over the years. It struck me, when we were considering the formula involving the consumer price index, that perhaps we are not really achieving justice for Canadians from coast to coast; so, I went to the consumer price index itself to see what it involved. It is my impression, having looked at the formula on which the consumer price index is based, that it simply does not provide a sufficiently good answer for the plight of the old age pensioner.

Let me refer to the Canada Year Book for 1970-71, and especially to page 1059, where one will find a section devoted to the consumer price index. I will not read all of it, but I will read enough to prepare a foundation for my argument:

The purpose of the consumer price index is to measure the movement from month to month in retail prices of goods and services bought by a representative cross-section of the Canadian urban population. For a particular article or service, a price index number is simply the price of the article in one period of time expressed as a percentage of its price in a reference period, usually called a base period. However, indexes for individual goods may be combined to form indexes representing prices of broad groups of goods and services. Thus, the consumer price index relates to the wide range of goods and services bought by Canadian urban families. The index expresses the combined prices of such goods each month as a percentage of their prices in the base period 1961.

The group of goods and services represented in the index is called the index 'basket' and 'weights' are assigned to the price indexes of individual items for purposes of combining them into an over-all or composite index. The weights reflect the relative importance of items in expenditures of middle-size urban families with medium incomes. The basket is an unchanging or equivalent quantity and quality of goods and services. Only prices change from month to month and the index, therefore, measures the effect of changing prices on the cost of purchasing the fixed basket.

Having laid that foundation, let me make a telling point against the use of the consumer price index. I continue quoting from that article:

The basket and weights now used in the index are based on expenditures in 1957—

That was 15 years ago, Mr. Speaker. I continue:

—of families of two to six persons, with annual incomes of \$2,500 to \$7,000, living in cities of 30,000 population or over.

The injustice lies in this, Sir: That index is not a proper representation of the type of cost that the older person is apt to encounter. For one thing, the older person is apt to incur higher medical costs than a younger person may encounter. Or, he may need special clothing, special nursing care, or the like for coping with the problems associated with old age. In short, the problems that the older person faces are not the same as the problems that the population in general face.

Second, Sir, the cost of living, as reflected by the consumer price index, is not the same everywhere. Living costs in small towns are apt to be different from those of our great metropolitan centres. That is simply not taken into account. For instance, property taxes will vary, and the like. So, I suggest that there is real weakness here in using the consumer price index formula. That formula

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arrives at one figure. It is inflexibly applied from coast to coast and does not take into account the varieties of experiences that older people may undergo.

Third, I say that the index is not sufficient, because the floor itself is not sufficient. The floor should be put at around \$100, instead of at the figure that is proposed. I say that, Mr. Speaker, because the formula, again, does not take into account another great fact of life, namely, that poverty levels have been established in Canada; and, so far as I can determine, the poverty level is at least \$250 or \$300 per person higher than amounts being proposed in this particular measure. So on the basis that half a loaf is better than no loaf at all, I will support the bill; but may I say that it is only a small step forward and that a better step could have been taken. We might have adopted something better than the consumer price index as a measuring tool, something that would be more representative of those classic studies that have been carried out in the last 10 or 15 years involving the poverty level, below which Canadians should not be allowed to exist.

• (1810)

[*Translation*]

**Mr. Gérard Laprise (Abitibi):** Mr. Speaker, before we proceed with the third reading of this bill, I have a few remarks to make. The first is about the government's insistence on having this bill passed so hastily. I wonder why and we will try to find the reason.

First, this bill was passed on first reading and referred to the committee last Friday, that is, May 12 at 5:40 p.m., at the end of the day and of the week. The bill was considered the following Monday, namely Monday last, even though committees seldom sit on Monday, and the report was immediately submitted at 5:50 p.m. This means that the government is quite anxious to have this bill passed, and even though it will help considerably our senior citizens, I do not think the government should insist so much on having the Senate deal with it so soon. The hon. senators will only have to repeat their memorable feat of a few months ago when they railroaded the tax bill. I am convinced that this bill will get the royal assent tomorrow night.

At all events, it seems to me that the Canadian people will soon have to choose a new government. This is why we should expedite this bill. At last the Canadians will be able to elect a real government which will set up a real system, the one that the Canadian people want.

The present social and economic system prevents the weak, the handicapped and the aged from having access to the tremendous wealth of our country. We, *Créditistes*, believe that Canada has the necessary economic resources to enable all Canadians to live above the poverty line.

All the remedies applied in Canada in the past to solve the problem of poverty have been applied at the income level. Attempts have been made by both governments and labour unions to increase personal incomes, but nobody has ever thought of increasing the purchasing power, or at least of keeping it from decreasing all the time as is the case at present.