

accepted, and then no change is made in the legislation. Continuing with the age old tradition of trying, I will make a few observations.

What are the essential points in the new legislation? First of all, the basic pension will be increased phenomenally from \$79.58 to \$80. If there were no legislation, there would have been a phenomenal increase to \$81.17. Second, the escalator clause has been removed from the basic pension, the magnanimous escalator clause that does not keep pace with the actual cost of living for pensioners who have to live in a society where the rate of inflation goes beyond 2 per cent each year. Third, there was the big increase in GIS so loudly and proudly proclaimed by the government. What is the amount of this increase? For a single person, the increase is \$23 and for a married couple it is \$32.

What does this fantastic increase mean for pensioners who qualify? Let us keep in mind that they do not qualify unless they earn less than \$110 a month. It means they get this additional money, but under the new legislation this increase will put them into the category of those who have to pay income tax. When you put these two facts together, you will discover that the elderly people who have spent their working lives in this country will live in 1970 at the poverty level. There are thousands of them who, with this announced increase in pension, will barely eke out an existence, whether they live in big cities, small towns or in the country. Yet, government spokesmen have pointed to this action with great pride.

The financing of this parsimonious and cruel measure, as has already been pointed out, comes in the main from the poor themselves. I should correct that in part, the money will come—

Mr. Munro: Would the hon. member permit me to ask him a question? He mentioned the fact that old age pensioners who receive \$110 a month would be disqualified. He means, disqualified from what? Does he mean disqualified from receiving the GIS? Does he realize that on top of the \$110 they would receive the universal pension of \$80, making \$190?

Mr. Broadbent: I hope the minister realizes that even if pensioners receive \$110 and then receive their pension in addition to that, they have to pay income tax so, actually they will still be living at the poverty level. That is the point I am trying to make, and I hope the minister will take note of it.

Mr. Munro: There is not much tax on that amount.

Mr. Gilbert: But the total pension is still below the poverty level. That is why there is the FRAP organization in Montreal.

Mr. Broadbent: The money comes not from increased taxes on all those in Canada who are affluent—and I would include all Members of Parliament in that category—nor, even from increased taxes on the average

Old Age Security

person. It will really come from the old age security fund itself. That is to say, the parsimonious increase that has been granted to our elderly citizens will be provided for by other elderly citizens who themselves have real need of that money. What is needed instead, as the hon. member for Broadview (Mr. Gilbert), the hon. member for Winnipeg North Centre (Mr. Knowles) as well as many others have pointed out, is a substantial increase in the pension, at least up to a level that would take all our elderly citizens out of poverty.

The proposal that we made was to increase the pension up to \$150 for all those over 65, and to add to that an escalator clause which would correspond in its effect to the real increase in the cost of living. This proposal should be financed by a redistribution of income in the country, that is by increases in taxes on all those of us who can afford to pay such increases and not by taking money from the old age pension fund which is already in existence.

I will conclude by saying simply that the minister comes from a town noted for the manufacture of steel. As all people know, steel is cold, hard and inflexible. I should like to suggest that the minister and his government are revealing an attitude toward the elderly people of Canada which corresponds very well to the best known product of his home town. It is cold, hard and inflexible.

Mr. Speaker: Is the House ready for the question?

Mr. Gilbert: May I rise on a point of order, Mr. Speaker? I think it is the custom before the debate closes for the minister to answer any of the questions that have been asked in speeches by hon. members. Even though he is not bound by the rules to do so, this is a custom and a courtesy that ministers follow. I would expect this minister to comply with it.

Mr. Speaker: As the hon. member knows, there is no such rule. It may be a practice, although it is certainly not a universally accepted practice. There are instances where the minister does close the debate. The only rule is that if the minister chooses to take part in the debate and speaks a second time, this second contribution closes the debate. But that is left entirely to the discretion of the minister. Is it the pleasure of the House to adopt the said motion?

● (3:40 p.m.)

Some hon. Members: On division.

Motion agreed to, bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

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REGIONAL DEVELOPMENT INCENTIVES ACT

PROVISION OF SPECIAL DEVELOPMENT INCENTIVE,
LOAN GUARANTEE, ETC.

Hon. Jean Marchand (Minister of Regional Economic Expansion) moved that Bill C-205, to amend the Regional