

Old Age Security Act

year basis. January, February and March have already gone by, and the payments were at the rate of \$80; but if we put this on a retroactive basis and provide for six months at an extra \$2.88 and get it into the cheques at the end of June, that would amount to an extra \$17.28." Well, \$2.88 wouldn't do the trick, and \$6 in the days of Walter Harris didn't do the trick. Then somebody in the cabinet said, "But I believe we can do it with \$17.28".

• (1750)

That is the bait that is being held out to our old age pensioners, a cheque at the end of June with an extra \$17.28 in it, in the hope that in the election that will probably be called on July 17 the feeling of kindness toward the government will carry over. If the election is not called then but is put off until August, September or October, then instead of getting cheques of \$97.28 such as they will get at the end of June, these people will be getting a cheque for only \$82.88. Then they will ask what has happened. They will say, "The government gave us this big increase; now they have cut us back and once again we are starving".

Mr. Munro: You are forgetting the guaranteed income supplement.

Mr. Knowles (Winnipeg North Centre): I will come to that in a moment, if the minister does not mind.

Mr. Munro: I know you like to forget that.

Mr. Knowles (Winnipeg North Centre): No, not at all. If the minister thinks I am forgetting that, I will come to it right away. I will give him a little more of my cabinet leak. The cabinet came to realize that they could raise the guaranteed income supplement by \$15, so that those who have nothing will get \$150 instead of \$135. They gave this task to the boys upstairs to work out, and they did it very ingeniously. According to the bill, the government is providing an increase in the supplement which brings it up to \$67.12. Added to the \$82.88, this amounts to a total of \$150. That is just a case of the technocrats doing their job.

But someone in the cabinet said, "Fifteen dollars extra at the end of June? They will not notice that; that will not win the election. However, if we give these people six months retroactivity, six times \$15 is \$90, and if single people receive \$90 and married people \$180 in addition to their June cheque we should win the July 17 election without any trouble". The only difference between this session of the cabinet and the session in 1957 that decided on the \$6 increase which Paul Martin brought in—though Walter Harris, being the minister of finance, made the basic decision—is that in 1957 the Liberals wanted to lose the election and went out of their way to find a way of doing so. We now have Liberals who want to win again, and they are out to buy votes from these retired people who are drawing the supplement. Those on the supplement are 55 per cent of the total. I think the minister said two-thirds the other day, but surely by now he knows better than that.

Mr. Munro: The new increase in GIS will bring more of them into the system.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Knowles (Winnipeg North Centre): The new levels will bring more people in. The total of 55 per cent will become 60 per cent or somewhere around that. Is that what the minister is saying?

Mr. Munro: At least.

Mr. Knowles (Winnipeg North Centre): In other words, the number of people who will get this \$17.28 as an election bribe at the end of June will decrease a little, and the number who will get the \$90 or \$180 will increase a little.

Mr. Munro: The number of people in need in the future will get more. I should think that would impress you.

Mr. Knowles (Winnipeg North Centre): The minister is pointing out that the number of people who have greater need is increasing. As long as this government is in power, more people will be finding themselves in greater need. But the point I am making is that you have here a cabinet decision that is cold, crass and cynical. For years the government said no, it was not prepared to do anything for the pensioners. Now the government has decided to do something.

Do they do this in the normal way by making a pension increase effective when it becomes law as they did in 1970? That increase of 42 cents was not made retroactive; it did not apply until the following month. Or does the government provide for a nice spell of retroactivity so that the pensioners of Canada will feel kindly toward the government in the month of July? If anybody thinks I am going out on a limb in talking about a July 17 election, give or take a week or two. I cannot see this government putting out this bait and letting the political advantage of it melt away by October. If it does call an election on July 17, I hope that the editorial writers and people of Canada will roundly condemn the government for this kind of political cynicism, not only because it plays fast and loose with the needs of our old age pensioners but because it is playing fast and loose with the whole political process.

Someone said something earlier about war veterans not getting the increase now, but I am not going to be able to come to that in my speech today. I shall cover that point when we get back to the bill on Friday. I understand that we shall be debating the budget tomorrow and on Friday return to this measure. If we finish it we shall talk about the changes to war veterans pensions and allowances, and then on Monday go back to the budget. Tuesday we shall see where we are. Then we have Wednesday and Thursday and dissolution comes in there somewhere, there or on Friday, once the pension increases are through and it is clear that the pensioners will get this extra money.

I said I felt that this was crass political cynicism. Like the last speaker, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), and bearing in mind part of my past, I welcome this conversion even if it has been made on the road to an election. But when one realizes what the government and this minister have said about pension increases, and when one realizes what they said about taking the escalation off the basic old age pension, I think the minister should be in sackcloth and ashes instead of grinning, as he did, from ear to ear when bringing in the legislation today.