

people. The same applies to some of their bonds and other securities.

It is a fact that certain people are not treated fairly by the government. I include middle class people today in that group. There may be a man and wife who both work and earn \$12,000 per year. With our present inflation, in the space of four to five years the purchasing power of their income may go down by \$2,000 to \$10,000. To keep up with this rising cost of living, they probably receive increases in their salary which the government, by way of income tax, magnanimously drains off. Therefore, the same thing applies, only in another way, to the middle income earner this year. He will find out that there is no reduction in taxes, but an increase of 3 per cent. I deplore the fact that people are not treated fairly by the state. I do not care whether it is a Liberal or Conservative government, let us be a little more honest about what we are doing.

Governments today seem to have a built-in interest in people getting salary increases so that they can drain off more taxes. They even seem to have a built-in interest in inflation. This again hits those people on fixed incomes, particularly the people we are speaking about today, the old age pensioners. This wrong can be corrected by an order in council without any problem. It was with this in mind that I brought this amendment before the House. I hope that justice will be done.

If we go back to the figures, we find that while the Minister of National Health and Welfare (Mr. Munro) has said we have brought these people almost to the affluent stage, by using last year's figures we see that they are still far below the poverty line as set by the Economic Council. Let us do what is fair and square, and restore to these people their rightful pension. The present Liberal government has departed a long way from the principle established by the government in 1952 when the universal old age security pension was set at \$40 a month. They not only did that, but they increased it from time to time. If memory serves me correctly, they did this when the gross national product was \$21 billion. Today, our gross national product is close to \$100 billion, five times as much. It was a Liberal government which brought that in; not only that, Mr. Speaker, but it was universal in its application.

• (1540)

I ask for the support of all my fellow members of the House of Commons in this effort to ensure that an injustice is righted and that these older citizens who have done so much to build our country are treated fairly, and that the product of this differential is restored to them as from January 1, 1967.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, I rise to say just a few words on this amendment. I agree with the proposition the hon. member for Simcoe North (Mr. Rynard) is advancing as far as it goes, but I cannot see how his amendment will achieve the purpose he has in mind.

The amending bill, as it now reads, says the escalation is to be a certain amount. That amount, at the present time is 3.6 per cent more than it was last year. The amendment would change it to read—"the escalation shall not be less

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than that certain amount." In other words, it shall not be less than 3.6 per cent. I do not see any difference between that and just saying it is 3.6 per cent. If this is simply a pious statement expressing a hope that somehow or other the amount of the escalation might be higher—

**Mr. Rynard:** It may be pious, but it is honest.

**Mr. Knowles (Winnipeg North Centre):** I shall not go into that. If it is merely a statement expressing a hope that somehow or other the amount might be higher, then perhaps we had better vote for it. But if we do, it will be in the knowledge that it does not mean anything, since the bill has already set out what the escalation is to be.

I agree with the hon. member that the escalation now to be applied to old age pensions should be much greater than it is. The Minister of National Health and Welfare (Mr. Munro) asserted in committee the other day that the \$82.88 pensioners will now get is 8 cents more than they would have received had the old escalation formula been continued, the one in effect until December, 1970. However, under questioning, his deputy minister admitted that if the pension had been escalated by the full amount of the cost of living increase since \$75 was fixed some years ago, the amount of the pension would now be over \$90. This is what we should be trying to achieve, and we will support a proposition to that effect. At the same time, I say again it is not enough simply to fiddle around making minor adjustments in the escalation factor. What we need is a substantial increase in the basic amount. The hon. member's leader has already made it clear that he does not subscribe to the proposition that the basic pension should be \$150 a month. We take the position that that is what it should be. I suggest, therefore, that this proposal for a few cents or a few dollars more is really not good enough.

**Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo):** Mr. Speaker, I should like to say a few words on this amendment presented by the hon. member for Simcoe North (Mr. Rynard) in connection with Bill C-207, an act to amend the Old Age Security Act. I agree with all those who have indicated that this is good legislation. It is legislation which is long overdue. The minister has admitted, through his sudden conversion to the principle of linking old age security payments to the cost of living index, and by making an increase retroactive to January 1, 1972, that the existing legislation in this area is not adequate to meet the needs of the present day. For the life of me, I cannot understand why the minister did not go all the way in terms of retroactivity to the date on which the basic pension was established at \$75 coupled with a 2 per cent escalation factor.

The history of the Liberal party in connection with old age pensions has not shown that party to be too expansive or too generous. Many of us can remember the episode in 1957 when the old age pension was raised from \$40 to \$46. We can also remember the drastic and well deserved results of the following election when "Six-buck" Harris himself went down to defeat, together with the majority of the Liberal party of the day. We sometimes wonder whether history is repeating itself.