

Old Age Security Act (No. 2)

they were not willing to engage in this heroic action, then their pensions cheques would be indexed fully as they would otherwise be without this legislation. That surely would be the honest way if it were truly a voluntary program.

Let us consider for a moment how this sorry state of affairs has arisen. We all know the Minister is not in fact a monster who takes pleasure in making pensioners live on less money. She is under pressure as a result of the Government's woeful mismanagement of the economy.

With regard to unemployment and falling tax revenues, the Government's job is clearly difficult. It cannot rely, as it has in the past, on selling off our resources because in a world recession the demand for these resources naturally falls too. An adequate income security system requires a healthy economy to support it and that is precisely what we do not have in Canada. That is why my Party is continuing to stress the strategic problems of our economy and the need for major reform through an industrial strategy. But in the meantime, without substantial economic reform, there are alternatives.

By the Minister's own estimate 1.1 million pensioners will lose \$55 each in 1983, which would save the Government \$61.5 million. That happens to be approximately the cost of Government advertising in one year. We could cut out the entire Government advertising budget, save the money, and it would spare us a great deal of propaganda.

Mr. Nielsen: That is only half the cost.

Ms. McDonald: That money is a drop in the bucket in terms of corporate give-aways and military expenditures, which the Government still plans to increase. It is the kind of money which can be made up merely by cutting luxuries like foreign embassies and other unnecessary expenditures. The NDP has been scrutinizing Government expenditures for moneys to divert for job-creation programs. We have come up with far greater success than the savings from these Old Age Security cutbacks.

Clearly with a modest effort the Government could come up with a more equitable way of finding the money. This is a sort of no-win situation. If inflation is really only 6 per cent or less, clearly we do not need the Bill at all. If inflation is around 6 per cent or a little bit higher, it is not going to save very much money, so why bother? But if inflation is really substantial, then the Bill is unconscionable. So in all three cases, we really do not need it.

Some Hon. Members: Hear, hear!

Ms. McDonald: We in the NDP feel particularly strong about pension cutbacks because it was our party and our predecessors who fought for a public pension system in the first place. A few points in this history are well worth noting because they are still relevant today. It was back in 1925 that we had the first success in establishing public pensions, long after a number of western European countries instituted them. It was then a minority Government situation. J. S. Woodsworth and A. A. Heaps, as labour representatives—because this was before the CCF was formed—made a pensions Bill a

condition of their support. They offered to support either the Liberals or the Conservatives, whichever would bring in a public pension Bill. The Conservatives said no, the Liberals said yes. A Bill was duly passed but then turned down by the Senate.

Perhaps there is a lesson to be learned here because the Conservatives suffered a serious defeat in the next election. After that election the Bill was reintroduced, passed in the House and then the Senate, and thus Canada got its first public pension for persons 70 years and over, based on a means test, and it was \$20 a month.

Expanding and increasing the old age pension has continued to be a priority of the CCF and NDP. Universal Old Age Security at \$40 a month was achieved in 1951. Indexing began in 1966, and full indexing in 1972. But note that the only increase in real terms—that is, beyond inflation—took place in 1973 when again we were in a minority Government situation and again it was pressure from the NDP which got this real increase. The sad fact is that the amount of the Old Age Security has remained low. When introduced in 1951, it was 17 per cent of the average industrial wage, and has now fallen to about 14 per cent. Now the NDP is urging reinstatement to the level it was back in that very regressive decade of the 1950s. This is scarcely a radical demand.

Even with the Guaranteed Income Supplement, Mr. Speaker, the income of elderly couples hovers only around the poverty line, and for the single elderly, mainly women, the amount falls below. It is women who are mainly dependent on public, non-contributory pensions, for it is they who have spent most of their lives caring for children and there is no pension for doing that most important work.

As a new Member of the House I am proud of the role my predecessors in the CCF and the NDP have played in pension reform. I am proud to be in the caucus with the Hon. Member for Winnipeg North Centre (Mr. Knowles), who has been the most vigorous and successful fighter for public pensions in this country.

Some Hon. Members: Hear, hear!

Ms. McDonald: Pension reform is a subject on which I promise to be very active myself. I am glad to see the Conservatives now joining us in fighting the Government on Bill C-131, but I regret to say that it is a little bit too late.

• (1620)

We have heard stirring speeches, notably from the Hon. Member for Kingston and the Islands (Miss MacDonald), but where were the Conservatives when we needed them last summer when the Government introduced six and five? Alas, the Conservatives voted for six and five then. They are making speeches now so that they can tell their voters, especially their senior voters, that they opposed the Old Age Security cutbacks. But they did not oppose the Bill and the principle when it really mattered. It was the New Democratic Party that fought alone last summer when the Tories, with their superior