

Old Age Security Act

point that something should be done, and their amendment that was ruled out of order was to this effect, to make up for the short-fall our pensioners have suffered since the escalation provision was established. The government has introduced retroactivity in another area, and this is an area where retroactivity should have been applied. The best way to have made up the short-fall that our pensioners have suffered because of this limited 2 per cent escalation would have been to make a substantial increase in the basic amount of the pension itself. We are back to our contention that the basic \$80 figure should now be a figure of \$150 a month. It is also our view that it should be made available at age 60, as I have contended many times.

The other comment I wish to make about the escalation of the old age pension and all pensions is that some day we have to get to the point where escalation is related to something more than just the cost of living. It ought to be related to the rise in the standard of living, the rise in wage rates or the rise in the gross national product. When all you do is give pensioners an increase equal to the rise in the cost of living, you merely permit them to continue to purchase the same standard of living they were able to purchase when they retired. In the meantime, conditions improve, society becomes more affluent, the standard of living goes up and it is not humane, decent or civilized to say to our older people: You are not to share in the increased standard or the increased benefits you helped to make possible.

Let me say quite clearly that it is a welcome breakthrough to get beyond that 2 per cent ceiling and to get the escalation attached to the actual increase in the cost of living, but it is by no means the last word. What we have to get is an escalation that permits retired people not only to be able to keep up with the rising cost of living, but permits them to share in the rising standard of living which society produces, because when our retired people were working they helped to make that possible.

The next thing I should like to say is that we welcome very strongly the fact that the escalation provision is being restored to the basic pension, which is now \$80 a month. There was no rhyme or reason whatsoever to the position the minister took in this House in December of 1970, when he took the escalation off that basic \$80 figure. We are pleased it is being restored. We share the views being expressed pretty generally throughout the country that the figure of \$2.88 which is all it amounts to this year, is very small. I said the other night that this change will not help the government win an election, but of course that is the reason they are going into retroactivity, because that will result in these people having six times \$2.88 or \$17.28 in their pockets at the end of June.

• (1210)

Even after we express our approval of the fact that escalation is being put back on the basic pension, let it be said as strongly as we can say it that this is not the answer to the adequacy of the basic pension. The reason \$2.88 is not a sufficient increase is that \$80 was not an adequate basic pension. An increase of 3.6 per cent would not be bad if the basic pension were already \$150 a month. One of the pitfalls in this kind of thinking is that the government may believe it can say to the country that it has now

solved this problem, has taken it out of the political arena, and has placed pensions on the basis of being increased year after year according to the rise in the cost of living.

There are two things wrong with that. One is that it does not relate to the standard but only to the cost of living. The other thing is that we are talking about escalating a basic rate which in itself is inadequate. This is not the answer to the organizations across Canada, to those of us in this House and to pensioners generally who call for a basic pension of not less than \$150 a month.

There is a provision in this bill which is now before us to which reference was made in a question and answer the other day which we welcome, namely, amending the act to provide that persons who have qualified in Canada for the old age pension may, after age 65, go elsewhere and continue to draw their pension provided they have had a certain length of residence in Canada. The old rule was that such persons had to have lived in Canada for 25 years after age 21. According to this bill, that is being changed so such a person, over 65, can go elsewhere and draw the pension without having to return to this country, provided he has lived here for 20 years after age 18. This is a laudatory modification which some of us have been requesting for a long time. Indeed, we asked for this long before the hon. member who made the request the other day came here. We think it makes sense, particularly when there is a desire on the part of many people, for health or family reasons, to go to warmer climates or to the countries from which they came in the first place.

Even though he is going behind the curtain, the minister is still within the sound of my voice and I hope he is listening. When the minister was making this change why could he not also have made a change in the 40-year rule. I refer to the rule which makes it possible for a person to live in Canada for most of his life, then go elsewhere before age 65, apply for the pension from another part of the world and get the pension without coming back to this country provided he has resided 40 years in Canada after age 18. When this rule was brought in, many people did not obtain a pension until age 69 or 70, and the 40 years did not seem to be too long a period. However, now that pensions are payable universally at age 65 and the applicable period is from age 18 to age 65, which is 47 years, one must still have 40 years' residence in Canada.

What I think is particularly unfair in this regard is the situation which develops as between a husband and a wife. If the minister cannot find it possible to change the rule in its entirety, perhaps he could find it possible to change it in respect of husbands and wives. There might be a situation in which a husband and wife go to the United Kingdom or to some other country. The husband may be able to meet the 40-year rule when he reaches age 65, but the wife, because she is a few years younger, does not meet the rule and is unable to receive the pension. This produces a difficult marital situation. If the wife returns she has a pension, but if she stays with her husband she runs the risk of being a widow without a pension. I am not making up this situation. I am familiar with cases of this nature. It would seem to me at a time when the government is cutting five years off the 25-year rule it should also be cutting five years off the 40-year rule. I