

Old Age Security Act

respect of Bill C-202 to amend the Old Age Security Act. No matter how many times we have agreed or disagreed with the hon. member for Winnipeg North Centre (Mr. Knowles), no one can challenge his sincerity in this House in fighting for the underdog. I have been here for a good number of years and have heard him champion the causes of people who in many cases could not speak for themselves. He has been heard with a clear voice in the House of Commons. He has been heard again today and I am very happy to follow him in this debate.

This bill is a bad bill because it is discriminatory. It would seem that my hon. friend, the Minister of National Health and Welfare (Mr. Munro), has been influenced by other people or perhaps was on pot or something else because I am sure this is not his own idea. The hon. member for Winnipeg North Centre expressed so well what a charming figure he was when he came here, unsullied and untarnished, from Hamilton. Now, we see him sitting here today with a tarnished image.

This bill would discriminate and divide the older people into two classes, the haves and the have-nots. It is true this trend was started in 1966 when the Hon. Judy LaMarsh was Minister of National Health and Welfare. Now, another feature besides discrimination has been added. It is the erosion principle of a fixed asset, an arbitrary frozen asset of \$80, neither founded on mathematical wizardry or justice. In 1966, the principle that inflation was eroding the pension was recognized and an escalation clause was added. If the cost of living rose by 2 per cent or over, then 2 per cent was added, regardless of whether the increase might have been 3 per cent, 4 per cent, 5 per cent or 6 per cent. This is the way the old age pensioner has been cheated over the years.

• (4:10 p.m.)

It is interesting to note one thing that the minister said, although maybe I am accusing him wrongly and maybe it was the Minister of Finance (Mr. Benson) who said it. The minister has said so many things, written so many things, and issued so many statements that I cannot keep up with all of them. But he, or the Minister of Finance, said inflation would not be a major factor next year. However, John Meyer, writing in the *Gazette* of December 17, says:

A resumption of significant price increases must be expected next year. The base for them has already been laid in the continuing high level of wage settlements—averaging in excess of 9 per cent for the first year. Advances in productivity can't overtake that sort of lead.

In effect, what the government is now doing is taxing the old age security pensioner by whatever amount the cost of living increases. If that is not a new principle introduced in this Parliament, I have never heard of a new principle. That is the fine hand of Scrooge, and here we are at Christmas time. It is interesting to note that during the first three years of the sixties, during the Tory administration under John Diefenbaker, inflation was held to around 1½ per cent per year. Thus, a very sound basis was laid for increasing expansion in later years.

[Mr. Rynard.]

During the following years, inflation took a higher toll, until in 1966 parliament decided that old age pensions must be increased. Old age pensioners were getting into difficulties. I will remember sitting in a rather good restaurant in a major Canadian city and noticing an old lady at the table next to mine. I saw her picking up some of the scraps, some of the bread that had been left by the people who had vacated the table next to hers. I asked the waitress about her, and she told me it was a usual occurrence for that poor old lady to do this, coming in to gather up the scraps. I asked where she lived, and was told that she lived in a third-storey apartment. Mr. Speaker, this was somebody's mother. This surely, was not good enough. I repeat that this incident took place in 1966.

It was for such reasons as this that the Hon. Judy LaMarsh raised the old age pension to \$75 per month, effective January 1, 1967. But the government realized that this was not enough, and gave a supplementary pension of up to \$30 per month to those who had little or no other income. Then, as I have stated, there was an escalation clause giving up to 2 per cent when the cost of living rose by 2 per cent or more. Have you ever heard of anything so ridiculous? This was cheating the defenceless people of this country. Mr. Speaker, in the last three years inflation has exceeded 15 per cent. To meet this situation, the old age security pension escalated to meet the cost of living increase should now be around \$100 per month, and the old age supplement should be over \$50 per month. That would be the case if our people over 65 years had been treated fairly, squarely and honestly by this Parliament.

Now, the government forsakes the very principle of universality, and yet the other day, when the Minister of Labour (Mr. Mackasey) announced plans to include over one million employees never before covered by unemployment insurance, he said that principle was very important. But in this case the cabinet forsakes universality and is bringing back the principle of selectivity.

Nevertheless in one area, and that is the area of hospital costs, there will be an extra tax of \$37 million as a result of bringing hospital workers under the unemployment insurance scheme. Yet the other day in committee the minister told us that there should not be any more increases in taxation. Now, they are taxing the sick by taxing the hospital workers. This is one of the sensitive areas of galloping costs, and is of great concern to those in that field.

The Hon. Judy LaMarsh said that people must pay for pension increases. In 1967 she imposed a 1 per cent tax in addition to the 3 per cent tax already in force on all income tax payers, up to a maximum individual contribution of \$240 per year. From this 4 per cent tax on income, over \$1 billion was collected by the government last year. The people have paid into this fund. This is not a charity fund. Over and above that, there is a 3 per cent sales tax, to which all people contribute, to pay for their old age pension. Some day we will need that pension. The minister may need the Canada pension. Would he think it funny if some government came along and froze it?