

68,000 people who were paying income tax at 65, the reported average income was \$4,020. At the age of 70 that figure dropped to \$4,000. A couple aged 65 years and over will receive \$3,060. As the hon. member for Winnipeg North Centre (Mr. Knowles) pointed out, one has to draw a comparison between the reported poverty level income of \$4,020 and the \$3,060 that will be received.

This is why I believe in universal pensions and in getting away from the bureaucracy and the humiliation which our people have to undergo. I do not believe in the division of our people into the rich and the poor. A great many of these people have come through the great depression, and I know some of them personally.

Mr. Gilbert: The Minister of Labour (Mr. Mackasey) agrees with that.

Mr. Rynard: I am sure he does. There would be no question of bringing out a white paper such as this one if he were in charge. I want to bring this point home. The difference is very small and those people have come through the great depression. They worked for years in hard times. Many of them worked for a buck a day. Some of them bought the perpetual bonds in the grim 30's the payment of which the government has now welched. I refer to the 3½ per cent perpetuals which were supposed to mature in 1966, and which every banker in the country said would be paid off at that time. Those bonds are now worth only 38 cents on the dollar, and I am sure the Minister of Labour realizes that the purchasing power of that dollar has been cut by a third. In effect, therefore the bonds are actually worth less than 15 cents on the dollar.

• (5:50 p.m.)

This bothers me because I am not a partisan politician. I know many of the people who bought those bonds. I was a young doctor in those years. I know how we were paid then. I know the difficulties people had in making ends meet. That they now have to accept 15 cents on their dollar shows how cruel and hard governments can be.

The white paper, Mr. Speaker, may even discourage people from saving for their old age. As I have said, the estate tax is confiscatory. People may say to themselves, "We will not be any further ahead by scrimping and saving. Our friends across the road will get \$255 per month with the old age pension and the supplement. They are not providing for their old age. Why should we?" Surely, this Canada of ours is too great a resource country for that? Surely, we have too many opportunities to start playing that type of game? What effect will this double standard have on the thrift and industry of the community and of the country?

The middle class upon which this country is dependent for its prosperity, the people who must carry the load if the country is to progress, are being taxed so heavily that their incentive is being destroyed. We are encouraging people not to save because we will provide them with a guaranteed income supplement. They will ask each other,

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"Why not live like our neighbours? Why not keep up with the Joneses? The government will help us anyway." The individual's incentive is being destroyed. Once this happens the tax base will be gradually eroded. I congratulate the minister on the crumbs he has thrown, but I regret the inability of the government to grasp the question of poverty, to meet the problem in a realistic manner instead of with this hodge-podge attack.

The hon. member for York East (Mr. Otto) said that of course we never do things for political purposes. I could go through the Department of Health and Welfare in both the province of Ontario and the federal government and point out place after place where the neglect is woeful. We have chronic illness hospitals but we ship people out of them by telling them they are not in need of active treatment any more. In each case a committee will tell a patient, "You are fit to go out." Despite government controls, the cost of ward care has risen to \$40, \$50 and \$60 per day. I have seen patients almost cruelly shoved out.

Where do these people go? They expect to be covered by hospitalization, for which they may have paid for years. But hospitalization does not cover them when they are chronically ill, and so they go to a home. What nonsense! That is not proper coverage. Why doesn't the federal government accept its share of this cost? Why doesn't it take the pressure off active treatment hospitals, and contribute to the provinces for the care of these patients in chronic illness hospitals? Governments just are not doing their best.

I think it was the Prime Minister (Mr. Trudeau) who said that people should always be alert to prevent a government from being completely incompetent. This is very true. This old age supplement should have been made universal. I have cited the reasons for that. Our old people have paid for it. They have been taxed at 4 per cent. They have been taxed on a sliding scale up to \$240. It is theirs by right. I do not believe we should separate the old people, saying to some that they are rich and to others that they are poor. The cost would be minimal.

I am sorry the Minister of National Health and Welfare is not in the House because I noticed he quoted a figure of \$150 million or \$160 million as the cost of paying an extra \$10 per month.

Mr. Francis: \$200 million.

Mr. Rynard: I thank the hon. member for Ottawa West (Mr. Francis). How in the world would it cost \$200 million to give 500,000 people \$10 a month?

Mr. Francis: I am sorry, I made a mistake.

Mr. Rynard: I think the minister made one too. I will look it up in *Hansard* tomorrow, but he made that mistake. I think he said \$160 million. I am not a mathematician, but I can say that if the minister looked at that properly he would have come up with a figure around \$50 million or \$60 million. Maybe the minister in error multi-