incomes. Our older people have more at stake than any other class of citizen as a result of the continuing inability of the government to contain inflation.

We must recognize the principle that our older citizens should not have to bear the brunt of the deterioration of our dollar. Certainly I favour an escalator clause in the Old Age Security Act and related acts to keep pensions in line with the increase in the cost of living.

In general terms those Canadians who require government assistance can be divided into two broad groups. The first is made up of people who, for one reason or another, are not part of the active labour force. They are elderly or injured or handicapped in some other way. They share the characteristic of being unable to earn an income of their own. The second group is made up of people who would be able to earn for themselves if jobs or training or incentives were available. This second group needs help in terms of opportunity. Today we are discussing primarily the plight of the elderly, the injured and the handicapped. How long must these citizens of Canada wait to have the government recognize its responsibility and act on their behalf?

I feel that if all the terms of the motion before us were implemented we might only further complicate our social assistance system. Earlier in my remarks I said that in my opinion there is a case for revision of the welfare concept and that we need a rational overhaul of our present program. I suggest that there is a strong case for some form of consolidation of our present varied assistance programs.

Some advocates suggest a guaranteed annual income. Others suggest a negative income tax. No matter what it may be called, immediate steps should be taken to consider these possibilities, keeping in mind all the various advantages and disadvantages. There are many factors to be considered. We must not detract from incentives to work or fail to take advantage of opportunities to work.

The government has now been long enough in office to provide some concrete proof of its desire to implement the so-called just society. Let it act immediately to give relief to those Canadians on pensions who have suffered so much by reason of the inflation permitted by the government. It should provide at once for the escalation of pensions in proportion to the actual increase in the cost of living. The government should also undertake to present a white paper or a statement of some kind showing how our present varied social assistance programs might be integrated.

• (3:40 p.m.)

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, every measure aimed at improving the situation of our senior citizens will certainly obtain our approval. We must not take exclusively into account the political benefits that could be derived from increasing the old age pension, but we must also, as the hon. member for Winnipeg North Centre (Mr. Knowles) did, explain and understand the need to give our citizens who are 65 and over, the vital minimum amount based on the real cost of living and not upon considerations out of date in 1969.

Even if there has been some improvement, the old age security pension is still inadequate. We should consider, for instance, the numerous cases in our constituencies where many couples aged 70, 75 or 80, have been unable, in spite a whole life of hard work and because of the inadequacy of the economic system in which we live today, to put aside enough money to live comfortably during their old age. But of course with a pension of $109.20 each, they cannot afford any luxury or even some comfort, and this shows the need to correct this situation.

I want to illustrate what I have in mind by way of one example. Recently in my constituency, I met a 75 year-old man whose wife was 72. They both received the old age security pension, plus the maximum guaranteed income supplement, i.e. a total of $218.40 per month. However, as it sometimes happens, the wife dies. What happen to her husband? Now, since he is a widower, he is considered as a bachelor and since he can occasionally earn some money from his trade as a blacksmith, his pension is reduced suddenly from $218.40 to $78.20.

In my opinion, there is a certain anomaly there. Two people living together live better with $218.40 than one person living alone on $78.20. Furthermore, if a person has a dependent, a boy or a girl, living with him, the situation is even more complicated.

There should be a striking improvement there. Let us not be stingy. A single person is allowed an income of only $768, that is the maximum amount, that he is allowed to earn. He will therefore, receive $78.20 and no supplement. I suggest that this is perhaps a little