

*Pensions*

payers about \$6 a day to keep those who are in such institutions. It is hard for me to understand that our economy should require upwards of \$6 a day to keep people in institutions while we expect our superannuated civil servants should be able to get by on as low as \$21.03 a month. I am indebted to the provincial secretary of the British Columbia superannuated civil servants' organization for a letter he sent to all members in February, 1954. At that time he pointed out:

For five long years we have repeatedly drawn the attention of parliament—without result or acknowledgment—to the present-day problems of many retired federal civil servants, from coast to coast, and surely it is not too soon to expect that appropriate action will now be taken to deal with this question, by granting to all those receiving less than \$150 per month, a bonus graded accordingly, as conditions warrant.

This afternoon my colleague the hon. member for Winnipeg North Centre drew our attention to the fact that years ago Great Britain and the United States recognized that retired civil servants are not able to go into the labour market and compete with the younger people and take advantage of the prosperity that younger people now talk about. They are the victims of the fact that the dollar they expected to have is now worth 50 cents.

In the United States, under Bill S2968, superannuated civil servants who were getting \$1,000 a year were increased to \$1,250 in 1948, and later to \$1,562.50. In Great Britain on a number of occasions substantial increases have been granted, and I understand that our province of Saskatchewan is the only province in Canada that has made provision for additional bonus payments to civil servants who are on pension and find it impossible to meet the high cost of living with that inadequate pension. I hope the Minister of Finance will accept the proposals made from all sections of the house.

**Hon. W. E. Harris (Minister of Finance):** Mr. Speaker, may I join with everyone else who has given his nod of approval to the hon. member for Fort William for bringing the motion before the house. In saying that, I think the house will permit me also to say that we have found the hon. member prompted by sympathy and warm-heartedness for a great many people, and I am sure the sympathy and warm-heartedness which are part of his character and nature prompt him to assist people who he feels are living on inadequate pensions.

I go ahead, of course, at once to say that others in this house, before today and tonight, have joined in that approach to this question, and have moved the house and the government on other occasions to give con-

sideration to the retired civil servants and the pensions which are being paid to them.

Unfortunately the Minister of Finance is in a position where he must try to determine whether or not the sympathy is not only just sympathy for people whose income is low, but also whether he ought to consider that it would be justified to expend public moneys in increasing the pensions and, if so, the terms on which the increase should be granted and the principle which should be involved in making the increase, together with any other decisions which might logically follow from such a change.

I wish to go back, if I may, to some of the remarks which were made during the afternoon and the evening, and in particular to the reference which has been made that this debate has gone on at least for 10 years in the House of Commons. It seems to me that if this were so—and I presume it is so—there must have been a reasonably good case made for not doing anything in the meantime, because it seems to me that a case which cannot change the mind of the government during that time may have certain difficulties attendant upon it which may be quite as important as the original case itself.

I have listened tonight to the arguments in favour of the resolution, and I want to go over some of them to test them to see if they are valid, and to see in the end what we have left by way of suggestions and proposals which might be made to meet the plight of these people.

Now, the first, the obvious and I think the continuing claim on behalf of those people is that the cost of living has increased since they obtained their pensions, and therefore allowance ought to be made for that by the government by way of increasing the pension. May I point out that while I recognize that the cost of living looms large in the thinking of those who have to maintain a household, and looms large in the minds of many people who look upon it as an easy index to use in any demands for wage increases, or pension increases, or any form of increase in income, it is hardly the final word on any subject; and in particular it is hardly the final word which the government could use in altering the expenditures made out of public moneys because of the very insecurity of the index and the constant change in it.

Hon. members ought to recall that in that 10-year period, if I am correct, we had a decline in the consumer price index, if I may use that term, from I think about 1947, which was the first date mentioned tonight, until 1949 or probably 1950. We had a substantial increase in the consumer price index during 1950, 1951 and 1952. Then I think we had a levelling off, if not a slight decline, until