

Old Age Security Act

needs of senior citizens of this country can bring about improvements.

I want to say a final word about the comprehensive approach, or what I call the practical and immediate approach which should be wedded or brought together. Society has an obligation to help those who need assistance. I want to see a clear line between that segment of our society and the much larger segment that does not need to be helped but needs an opportunity to help itself. I submit far too much public money is going to this latter section of society, the vast bulk of society, because this government has given political response to economic problems in the creation of social programs that do not necessarily need to be created, and in spending money it does not need to spend in order to satisfy the political demands on them.

Who has suffered, been squeezed and short-changed? It is that element of our society which desperately needs more help. What has happened is not a reflection of a compassionate government. We have an obligation to help people who live in this very modern, complex, alienating society.

• (2150)

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, I think it can be fairly said that for the vast majority of Canadians these are extraordinarily good times in which to be living.

Mr. Forrestall: Oh!

Mr. Penner: I come from a region of Canada which is not known for fabulous wealth, yet the people I visit and talk with there agree with me that for most of them these are extraordinarily good times in which to be living. But what is true for most Canadians is not true for all, and this is precisely the reason for the bill which was introduced this afternoon by the Minister of National Health and Welfare (Mr. Lalonde) to increase the old age pension.

It is a good life for most but it is not a good life for all. The present parliamentary inquiry into food prices has revealed, for example, that Canadian families today spend a smaller percentage of their budget on food than they did in 1961 and that in many cases the kind of food which is available today is of improved quality. So people who are working for good wages are presently eating better, for less, than they did ten years ago. While this may be true of most people it is not true of people who must live on a relatively low fixed income. These people undoubtedly find it very difficult to meet the rising cost of a nutritionally adequate diet, not to mention the other costs they must bear. This situation is particularly distressing for those who must rely on pensions as the sole means of economic livelihood. In these circumstances I enthusiastically welcome the pension increase which is outlined in Bill C-147. It is a means of putting more spending power into the hands of people who need it most.

I listened with great care when the finance critic of the official opposition made his comments on the budget. He said it was not expansionary enough. It should go further, he said. He suggested more across the board tax decreases. I am sure such a move would be welcomed by

[Mr. Roche.]

many. The trouble is that doing so would fail to bring the requisite help to those who most need help. I did not hear the hon. member suggest that an effort ought to be made to put more money where it was most needed. He did not talk about increasing old age security payments or increasing the income supplement.

The same thing happened during the election campaign last fall. People kept asking spokesmen for the Conservative party how much they would give if that party were in power. We never heard a clear and conclusive answer to that question. Various figures came out—sometimes \$88, sometimes \$92. Some even surmised that the figure went as high as \$95. But we were never quite sure.

Mr. Forrestall: What figure did you suggest during the campaign?

Mr. Penner: Well, it is not what we promised; it is what we deliver.

Some hon. Members: Hear, hear!

Mr. Penner: The raising of the basic old age security pension to \$100 is an important and necessary follow-up of the measures announced last year to raise the guaranteed income supplement for old age pensioners and to increase both the basic pension and the supplementary payment automatically in line with any annual rise in the cost of living. Unless I misunderstood him, the previous speaker failed to take cognizance of that point. There is, in fact, a cost of living escalation built into both payments at the present time.

Twenty-one years have now passed since the universal old age pension was first introduced in Canada for the benefit of those aged 70 and over. In 1952, the twenty-first Parliament of Canada provided a universal benefit of \$40 a month to every person over 70 who met the residential requirements. If, in 1952, a cost of living escalator had been built into the scheme, and if we take account of all the cost of living increases in those years and discount any actual increase parliament has made, the basic pension today would amount to only \$64.62. Taking the \$40 and the cost of living escalation in each year since 1952, the pension would amount to only \$64.62.

Instead of that, effective April 1 it will be \$100 as a basic old age pension. Moreover, the age of eligibility has been progressively reduced to 65. If we take account of supplementary benefits, it is now possible for a single pensioner to receive a guaranteed monthly pension of \$170, and for a couple to receive \$325. As I say, the scheme was introduced in 1952—\$40 and no guaranteed income supplement. It is now possible for a single pensioner to receive \$170, and this more than accounts for the rise in the cost of living which has taken place since 1952.

An hon. Member: And there is the Canada Pension Plan.

Mr. Penner: In addition, there is the Canada Pension Plan. Mr. Speaker, I see it is now ten o'clock.