

*Old Age Security Act Amendment*

will continue their supplementary payments so that people who qualify for something up to \$30 a month under this bill will actually be receiving something additional under the plan?

**Mr. MacEachen:** I can appreciate the purpose of the question. It is to seek the support or hope of the government that provinces will continue supplementation. Again I must repeat that if we had taken the view that provincial supplementation was regarded as income under this bill, then the persons involved would not be eligible for the federal supplementation. But we did not take that view, so they will qualify for this benefit. They will not be in any sense reduced in benefit because of the provincial supplement, so that pensioners with no other income will get the extra \$30, making the pension \$105 a month.

The hon. member asks, will the provinces now say, they have received what we have been giving and so we will cut back our supplementation? All I can say in reply to that—and I would hope this would be the case in areas where the extra assistance is necessary—is that the provinces should take advantage of the provisions of the Canada Assistance Plan in order to provide required supplementation above the \$105, for which the federal government would pay 50 per cent.

**Mr. Simpson:** I have one more question. Now that we have this statement from the minister I would like to get to a point which specifically comes under the federal government. Before we reach clause 9 I should like to ask a question regarding the determination of income. Will the minister confer with his colleague the Minister of Indian Affairs and Northern Development in order to obtain some assurance that treaty Indians now receiving old age security and, because of the high cost of living in most areas, supplementary assistance in the form of cash payments or rations, will not be denied the additional \$30 per month under this bill?

● (9:00 p.m.)

**Mr. Bell (Carleton):** Surely we should have an answer to that question because it is of importance.

**Mr. MacEachen:** I will be glad to speak to the minister in this regard.

**Mr. Southam:** Mr. Chairman, I should like to ask a question in relation to the administration of the supplementary benefit to old age

[Mr. Simpson.]

security. Many people have raised this question during this debate and outside the house. Has the minister or any official of his department arrived at an estimate of the cost to the treasury which will be incurred by the administration of the application of this supplement to old age security compared with a straight across-the-board increase as suggested by the opposition? Will this amount to \$10 per individual or \$20? Has any estimate been made in this regard?

**Mr. MacEachen:** The estimated cost of administering this program during the first year is \$3,600,000.

**Mr. Pugh:** Mr. Chairman, I do not wish to take up too much time on this point but it seems to me the minister is negligent in not having consulted with the provincial ministers of health regarding the supplementary payment. Let me give an example of what I have in mind. Federal supplementary benefits will amount to \$30 or a portion thereof per month. The supplementary payment will be held back after the first of the year until the application has been approved.

**Mr. Knowles:** The applicants will not receive the supplementary payments until the end of March.

**Mr. Pugh:** Perhaps they will not receive them until the end of March, but in the meantime they will have received additional provincial payments over a period of three to six months. When they begin to receive the federal supplement it is possible the provincial government will demand the repayment of the additional \$160 to \$180 provincial supplement. This will create a terrible situation. It is difficult enough to live these days because of the high cost of living, but if they are asked in addition to return provincial supplements they will surely be in difficult circumstances. The hon. member for Nickel Belt gave an example of an individual who had filled out a form improperly and had to repay a certain amount of money. This illustrates the importance of this situation. Is any change to be made in respect of the benefits the people are now receiving from the province because of the proposed federal supplement of \$30 which will not be received until the end of March? The minister was in conversation with someone else when I mentioned this point, and in order to make it clear to him let me repeat it briefly.

Federal payments will apparently be made to those who are eligible on the basis of income tax returns but they will not be filed