

Old Age Security Act Amendment

the whole sorry, shameful and shoddy performance of this government in connection with this bill as well as the other social welfare measures it has brought before the house.

What is the reaction of the people in this country, Mr. Speaker? I bring as witness a paper from the minister's own province, the *Halifax Chronicle-Herald* which carried an article about this bill the heading of which is "Many Pensioners To Pay Income Tax For First Time".

Some hon. Members: Shame.

Mr. Fulton: Does the minister deny that that is the effect of his own legislation?

Mr. MacEachen: I do not deny it because one of the effects of the legislation is to bring people into the class in which they do pay income tax.

Mr. Fulton: In other words, you give with the one hand and take away with the other.

Mr. Crouse: Ebenezer exposed.

Mr. Fulton: My colleague has characterized the minister better than I can, but I still think he is a little Jack Horner sitting in a corner, putting in his thumb and pulling out a plum for the government. That is my primary concern.

This is the article carried by the *Chronicle-Herald* for December 20:

The introduction of a supplementary \$30 a month in the old age pension for recipients on limited income will push many thousands of pensioners into the income tax paying bracket for the first time.

Again:

But persons of 68 and 69 years who receive the maximum pension next year will be required to pay taxes.

These are facts the pensioners should know about.

In the case of the average single taxpayer with no other source of earned income the levy will be on \$160, after allowing for the standard \$1,000 exemption plus \$100 for medical expenses.

For married couples who are both in the 68-69 age group, and with no other source of earned income the levy will be on \$420, after allowing for \$2,000 exemption plus the \$100 for medical expenses.

So we see, sir, the kind of effect that this government's so-called generosity toward the old age pensioners is going to have upon those whom they allege they are trying to help.

One could go on to expose the weakness of the legislation, but I think it has been sufficiently analysed in the debate in committee.

The analysis we have had of the bill there, plus the example of the minister's speech on third reading tonight, has in my view been enough to convince this house and the country that it is a bad bill, that there is nothing to be said for it except that it is partisan hypocrisy on the part of the minister. No amount of bluffing on his part will persuade us to alter our position on the amendment moved by the hon. member for Winnipeg North Centre. Reluctantly, when that is disposed of and the minister's dictatorial attitude is finally forced upon the house, we shall have no alternative but to vote for the bill. This is not because it is a good measure but because little Jack Horner has given the old age pensioners a small plum, a small and mean Christmas fare. Nevertheless it is a contribution, small and mean though it is, of which it would ill behoove us to deprive the old people of Canada who desperately need not just this but a little more besides.

Mr. Nicholson: May I ask the hon. gentleman a question and a supplementary question? First of all, has the hon. member for Kamloops read the new section 7 set out in the bill as part of clause 3? If he has read that clause, does he not agree that the guaranteed income payments become effective on January 1, 1967, not in March, 1967 as he suggested earlier?

● (10:10 p.m.)

Mr. Fulton: I did not say a word about a guaranteed income. My remarks had to do with the cheques which would reflect the increase in pensions. Is the Minister of Labour telling us that the cheques reflecting the increase will go out on January 1?

Mr. Nicholson: No, but I understand that payments will be retroactive to January 1. I say this in view of the earlier observation by the hon. member that there should not be legislation to collect taxes on January 1 when the cheques will not be paid until March 1.

Mr. Fulton: Why should a tax be placed in advance on the very old age pensioners who will benefit from it? What is the justification?

Mr. Nicholson: It is easy to answer that question. The payment will be retroactive to January 1.

Mr. Fulton: Let us be clear about this. This is the first time it is clear.

An hon. Member: It is in the bill.