

Old Age Security Act Amendment

been stressed in geriatric studies that people in advanced years, 70 and upward, need to be assured that they are wanted and not considered as paupers. For that reason parliament decided in 1951 to do away for all time with the means test.

Much of the money we will pay out will be recovered through income tax if they have sufficient income. However, if my statistics are correct only 3 per cent of the people in Canada over 70 years of age have an income of \$5,000 or more per annum. If I am wrong I hope the minister will correct me. This would indicate a great need to increase pensions to the majority. The minister has suggested that we are going to save money by reducing administrative costs but that we will only recoup a small portion through taxation. This is an indication that there are few wealthy people in the elderly category.

The minister did not touch upon the fact that much of the increase will return in the form of taxes because the recipients will spend it on rents and other services performed. Surely the treasury will be enriched as a result of income and sales taxes paid by those people who are providing these services and accommodations for our elderly people.

A number of people in this country live on a marginal income in their own homes. They will not qualify for this increase but they actually have little more than they need. As they grow older they require more help. In some cases a husband and wife will find themselves in this situation and require someone to assist in doing the housework in order that they can remain in their home. Without the income to pay for such help they will have to move into nursing homes. When this happens the government will be faced with a cost of approximately \$200 per month per person. I do not think a person can be maintained in a nursing home in Canada for less than that amount. That money comes from the taxpayers of Canada. The minister has not touched upon this feature of the bill.

When we are dealing with older people we must realize that some over 70 are in good physical condition and able to look after themselves, that others need a certain amount of care and assistance whereas others need a great deal of care and medical attention. We must concentrate in keeping the first two groups out of nursing homes as long as possible, because everyone maintained in a nursing

[Mr. Rynard.]

home represents an added expense to the taxpayers. We must make an effort, by the provision of a little extra money, to assist these people in remaining in their own homes.

We on this side of the house are placed in a peculiar position because, while we oppose the philosophy of this legislation, we must support it in order to provide some assistance to a portion of our elderly population. I would be the last one to suggest that the minister is blackmailing us into adopting this attitude, but half a loaf is better than none at all.

As we proceed with our consideration of the bill I hope the minister will give consideration to our suggestions because I am sure when all is said and done he will find that by the adoption of this measure we will add to the expense of assisting our elderly people. In support of this argument one need only consider the number of people in our cities and towns who could, with a little assistance, remain during their latter years in their own homes.

We are disappointed with this measure in that it does not bring old age security up to the necessary level at which our elderly people can maintain themselves. Keeping in mind the increased cost of living which has occurred in these last few years.

• (8:00 p.m.)

Mr. Kindt: Mr. Chairman, let me review for a few moments some of the administrative costs that we may reasonably expect as a result of the adoption of this bill. The minister has indicated that administrative costs will amount to approximately \$1,500,000. We all know that is a minimum figure picked out of the air. It is not what will eventually happen with respect to the cost of administering the old age pension supplement program contained in the bill the minister has placed before us. Even if the figure of \$1.5 million is correct, when one takes into account the number of old age pensioners involved this amounts to about \$2 per pensioner. In other words, it will cost \$2 per person to pay these people who will receive the additional \$30 a month. If the minister has any objection to my figures I would like him to say so as I go along.

Mr. MacEachen: The figure I mentioned was \$3.6 million.

Mr. Woolliams: That makes it worse.

Mr. MacEachen: It is about 1.3 per cent of the \$270 million.