

*Old Age and Veterans' Pensions*

At page 14 of the white paper on veterans pensions is the following statement on improvements in effect, and I quote:

In addition to the recommendations of the Woods Committee that have been accepted in principle, but which cannot be put into effect until the legislation is amended, about one-third of the 148 have been accepted and can be implemented under existing authorities. These recommendations are already in effect, or they will be as soon as the necessary arrangements can be made by the Canadian Pension Commission or the Department of Veterans Affairs.

Some of them concern existing procedures or are the responsibility of sections of the Commission which, when the Pension Act is amended, will become part of the department, at which time they may be further adjusted. Meanwhile, however, the improvements these recommendations afford are being made available to pensioners and to pension applicants.

Several recommendations, being implemented by the Commission, are designed to give maximum consistency to its decisions through the issuing of policy directives, administrative instructions, procedural directives and memoranda relating to the interpretation of the various sections of the act, the purposes of compassionate pensions and guidelines relating to them, Medical Advisory Branch matters, supplementary benefits, etc.; and by the preparation of a digest of relevant decisions and related comments.

In addition to that, further improvements will, I am confident, be included in the final committee report.

The proposal contained in the hon. member's resolution is such as every hon. member would like to support. Canada's record in comparison with that of other western countries ought to make Canadians feel proud. While the minimum monthly pension payable to every person 65 years of age and over is approximately \$75 a month in Canada, in the United States, the wealthiest country in the world, the pension is only \$55 a month. If an aged person in Canada has no other income except his pension, he can receive \$109.20 monthly. In the United States there is no provision for his receiving more than the \$55. In Britain, the minimum monthly pension for a single householder is \$56. In France, the pension is 20 per cent of previous earnings if one retires at 60, or 40 per cent if one retires at 65, or 60 per cent if one does not retire until the age of 70. In West Germany, it is 45 per cent of previous earnings if one has contributed for 30 years.

The Prime Minister (Mr. Trudeau), replying to a brief presented by the National Pensioners and Senior Citizens Federation last October, which asked for an increase in the old age security pension to \$150 a month and for personal income tax exemptions of \$2,000

[Mr. Badanai.]

for single persons and \$4,000 for married couples, said and I quote:

A few weeks ago, referring to inflation, I told a conference of business and labour leaders that "the true measure and the true cost of what has been happening can be found only among those unprotected Canadians whose incomes are fixed and who each year have watched their purchasing power and standard of living drop by 4 and 5 per cent". I pledged then, and I pledge again to you now, that the government will do everything in its power to ensure that your \$100 will not dwindle in worth to \$75 five years from now, or \$50 ten years from now.

Fighting inflation, fighting the spiral of ever-rising costs and prices which so affects you in your daily life, has been and must remain our priority.

This does not mean, however, that we are not also moving in other ways to help alleviate the very real difficulties which so many of you face in trying to meet the monthly rent, the weekly grocery bill, the medical expenses, the small luxuries to which everyone is entitled.

In your brief you called for an increase in personal exemptions from income tax. The White Paper on Tax Reform tabled on November 7th by the Minister of Finance proposes that basic tax exemptions be increased from \$1,000 to \$1,400 for a single person, and from \$2,000 to \$2,800 for married couples. In addition, it is proposed to retain the special deduction of \$500 for all persons 70 years of age and over; the standard deduction of \$100 would also be retained. If adopted, therefore, these proposals will ensure that a single person who has reached the age of 70 will be allowed an income tax exemption of \$2,000; married couples will be allowed \$3,400. Again, if adopted, these proposals will go a long way towards alleviating the tax burden for senior citizens between the age of 65 and 70.

Your Brief also calls for an increase in the Old Age Security to \$150. As the Minister of National Health and Welfare pointed out in his reply to the Brief presented by the President of the National Pensioners and Senior Citizens Federation, to replace the existing Old Age Security and Guaranteed Income Supplement with a pension of \$150 would mean an additional cost of \$1 billion over and above the present cost of the pension and supplement. Furthermore, because the increased pension would be paid to all pensioners regardless of their need, this very substantial expenditure would be made without in fact achieving the objective of ensuring that it is those most in need who would receive the greatest assistance.

This is one of the many questions in the field of social security legislation which is now under intensive review. We must give most to those whose need is the greatest.

• (5:20 p.m.)

To achieve this aim however, in so complex a field as social security has required many months of study and will continue to receive our urgent attention in order to arrive at an equitable and practical formula.

At this stage, I cannot name a magic figure and say "yes, this is what we promise". What I can do is to assure you that your voice has been heard