

The Budget—Mr. Sulatycky

large proportion of our pensioners simply do not have enough money to provide them with an adequate and decent standard of living. Indeed, as a group our aged would have to be classified as poor. The poverty of the aged is as well-rooted as that of any other single group. The Special Committee of the Senate on Aging which conducted its studies relating to the aged in Canada during the year 1966 found as follows:

Without question the most serious problem encountered by the Senate committee in the course of its investigation was the degree and extent of poverty which exists among older people.

Even though, since the Senate committee made its report, many old age pensioners have received additional benefits of up to 40 per cent of their pension under the provisions of the guaranteed income supplement, a great many of them still do not have the income necessary to support themselves and, in many cases, their families. This is a situation which we as concerned Canadians, which we as representatives of the people should not tolerate. I am sure all hon. members agree that further aid must be given to the aged in those cases where it is required. The question then becomes, what can we do and how can we do it?

When examining the possibilities of increasing aid to the aged we must, of course, look at the financial implications to the economy as a whole. In the last year for which we have complete records we spent approximately \$1,300 million on the combined old age pension and guaranteed income supplement. Of that total, approximately \$250 million, or one-quarter of a billion dollars, was the amount paid out under the guaranteed income supplement. It is interesting to note that the total paid out under the old age pension and the guaranteed income supplement amounts to 10 per cent of the total expenditures of the federal government. Having these figures before us enables us to see precisely what the possibilities may be and the limitations within which we can honestly advocate an increase in payments to the senior citizens of this land.

It is obvious, for example, that we cannot apply a simple formula such as a 100 per cent across the board increase. We simply cannot say that we will double the pension and double the guaranteed income supplement, because the federal government budget just cannot spend another \$1½ billion. There is just not enough money in the federal treasury, nor are there sufficient sources of reve-

[Mr. Sulatycky.]

nue for the government to be able to apply such a simple formula. It is obvious that something less will have to be done. If the increase should be 10 per cent in the pension and in the guaranteed income supplement, it is obvious that will not solve the problem which I submit has to be solved. What has happened is that we are using a lot of our resources which have been set aside for social purposes in a way that does not benefit the people who should be receiving benefit.

● (9:30 p.m.)

This afternoon in one of our committee meetings we heard evidence that I am sure was shocking to all members present. According to the witness—and we have no reason to doubt him—in a community of 1,500 people in northern Alberta, 80 per cent are on welfare. It costs an average of \$30,000 per year to maintain each family on welfare in that community. That is a substantial amount of money. This amount includes not only the funds spent on the family but also the administrative costs. I think an example such as this is all that is required to point out that our system of social security must undergo a complete revamping. When we pay \$30,000 to support a family which probably should be able to get by on \$7,000 or \$8,000, we are not making the best use of our resources.

I am heartened by the fact that the Minister of National Health and Welfare (Mr. Munro) is making a complete study of the social security system of this country. Within a very short time the minister will be presenting a white paper outlining how we can rationalize this system which we have created through what can perhaps be termed an ad hoc approach to problems. This is what we have done over the years in dealing with people who require assistance because they are not able to look after themselves—the senior citizens of this country. We have built a system which is no longer making the best use of our funds.

I am convinced that by taking a rational approach and trying to co-ordinate the various loose ends of the social security picture we can save money and at the same time increase the benefits to groups such as the old age pensioners. It is obvious that if the Minister of National Health and Welfare is able to obtain only \$500 million from his colleagues on the Treasury Board, as some people fear he may, this amount will enable him, without affecting a saving anywhere else in the social structure, to triple the