

Old Age Security Act Amendment

that the success of this program will depend upon the acceptability of the test we are proposing and on the humane way in which the program is administered. We believe we can administer this program in a way that will respect the dignity of the old age pensioner.

The hon. member for Winnipeg North Centre (Mr. Knowles) made some comments with respect to the relationship between the Canada Pension Plan and the old age security pension. He referred to a recommendation of the joint committee on the Canada Pension Plan to the effect that, "the level of combined benefits available under the Canada Pension Plan and old age security should represent a high proportion of the previous earnings of those people whose incomes do not permit other adequate provision for their retirement". This certainly was a recommendation of the joint committee on the Canada Pension Plan.

The hon. member for Winnipeg North Centre went on to recite the ceiling income of \$5,000 to show that the combined pension of \$900 of old age security and \$1,200 Canada Pension Plan was less than 50 per cent of the \$5,000 income received while working. He went on to say that this Canadian package will provide much less than 50 per cent. Yet, in choosing \$5,000 on which to make his calculation he ignores one of the basic features of Canada's social security system; that is, it is weighted in favour of the low income groups—those, in the words of the recommendation of the joint committee, whose income does not permit other adequate provision for their retirement.

But for people whose average earnings have been \$3,600, the combined pension does amount to 50 per cent of their past earnings. For those with lower earnings the percentage is even higher. If the pension of wives is included it should be noted that the percentage of past earnings received in old age security and Canada Pension Plan payments rises to 60 per cent for those at the income ceiling, that is, \$3,000 on earnings of \$5,000, with even higher percentages for people at lower earnings levels.

In leaving this point, I would refer to the fact that the international standard set by the International Labour Organization at its meeting in June of this year was 45 per cent of past earnings for a man and his wife, both of pensionable age. I would suggest that the actual operation of the Canada Pension Plan meets the recommendation of the joint committee in suggesting that the benefits

[Mr. MacEachen.]

ought to be a high proportion in respect of those people whose incomes do not permit other adequate provision for their old age.

● (7:00 p.m.)

I want to refer to the attitude by representatives of the New Democratic Party in connection with this guaranteed income approach. I would refer especially to the attitude taken by the hon. member for Vancouver-Kingsway (Mrs. MacInnis), who in two speeches vigorously denounced the program now before the house, a program which she applauded with great sincerity in June of last year. We had then been discussing the Canada Assistance Plan and one of the matters frequently discussed in the debate was the Senate report on aging. The hon. member for Vancouver-Kingsway (Mrs. MacInnis) in at least three places in her speech referred approvingly to the report of the Senate committee on aging and suggested that the principles embodied in the report should be brought into the house by the government of Canada.

Let me point out, Mr. Speaker, that we have based our proposals largely upon recommendations of the Senate committee on aging. Not only have we based our proposals on these recommendations but we have improved the Senate recommendations considerably and in two important respects. We have increased the combined income of married pensioners considerably above the amount recommended by the Senate committee, and we have put in a provision by which a partial supplement will be payable to recipients of old age security with income of \$1,620 for a single person and \$3,240 for married couples. The Senate committee had recommended a sharp dollar for dollar loss in income in excess of this amount. I am surprised that my hon. friend has not seen fit to endorse as strongly now this program which she asked us last June to bring into effect.

However, I wish to criticize the members of the New Democratic Party even more seriously for what I consider to be a very abrupt change in policy in regard to the guaranteed income approach from that taken last June by the leader and the deputy leader of the New Democratic Party. As found on page 7090 of *Hansard* the leader of the New Democratic Party said:

We in the New Democratic party feel that if the government were to establish \$100 per month pensions at age 65 and set up a guaranteed annual income measure providing, let us say, \$1,500 per year for single people and \$3,000 per year for a married couple, people who had nothing but their pensions would still be entitled to some additional assistance under guaranteed annual income measure.