

Old Age Security Act

a minimum income in keeping with the possibilities the country can afford.

As Bill C-202 applies to the situation of old people, I do not want to forget the others.

I deeply regret that Bill C-202 does not extend eligibility for old age security pensions to those who have reached the age of 60 and also grant them a tax exemption on incomes below a ceiling of \$3,000. This does not mean that we are opposed to the principle of the bill or to the application of better legislation, but we want Canada to better realize the fact that people who were born before us deserve more, because we can inherit from them advantages from which they should benefit in 1970.

[English]

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I have had an opportunity to listen to various members of the opposition parties talk on this motion by the hon. member for Winnipeg North Centre (Mr. Knowles). The essence of it is that we should not remove the escalation feature from the \$80 universal pension. In the course of the discussion about this particular issue the government has been characterized as Scrooges who are letting down a lot of the old age pensioners.

Some hon. Members: Correct.

Mr. Munro: I cannot help wondering whether any of those critics have analysed what we are doing of a positive nature for senior citizens. I ask the House to look at page 40 of the white paper to which many hon. members have referred. One passage which appears there is of some significance.

There will be 1.7 million people over 65 in Canada in 1971. Of these almost 1.1 million, or 64 per cent, would have incomes of less than \$1,500 (or \$3,000 for a couple) were it not for the income security programs already in operation.

Even with the existing income security measures, it is anticipated that 711,000 people, or 42 per cent of aged persons, will still have incomes below these levels in 1971. The proposals in this paper would raise the incomes of all aged persons above these levels; no single aged person would have less than \$1,620, and no aged couple would have less than \$3,060.

This is why the rates proposed, commencing April 1 next, are, for single persons receiving guaranteed income supplements, \$135, and for couples, \$255. The hon. member for Red Deer (Mr. Thompson) talked about the poverty line, and I think I know his source. The type of pension we are now offering under the guaranteed income supplement would raise the income of the couple he was talking about to above the poverty line. I do not think he was aware of that, at least not from the way he was talking in his speech.

● (9:40 p.m.)

When the senior citizens of this country who are in desperate need of assistance receive \$55 g.i.s. over and above the \$80 o.a.s., for a total of \$135, or \$95 g.i.s. for a

[Mr. Lambert (Bellechasse).]

couple with each getting the \$80 flate rate o.a.s., bringing the total up to \$255 a month, I suggest this is a very significant increase indeed over what they are receiving today. A single person today receives \$111.41. Therefore, I think it can be said that we are giving a very significant increase to a very significant majority of our senior citizens.

In essence, this is not very different from what every Canadian who files an income tax return does once a year. On this return Canadians indicate what their income is, and it is on this basis that their tax is calculated. If there ever was a system or a technique that removed the demeaning aspect of the old welfare systems we heard so much about today, certainly this is it. Canada was one of the first countries in the world to bring in a guaranteed income supplement for the aged. In fact, I think we were the only country with an income-tested program of this nature when we introduced it four years ago. It is a program that has worked well. Surely, it had its problems, but I do not think there is one member in this House who has not found that those who receive this needed benefit are happy about it and reasonably happy about the way it is administered. They see a real difference between this type of income-tested benefit and the old means-testing programs of years past.

When honourable members extol the virtues of a guaranteed annual income and condemn this program, they are contradicting themselves. What, in essence, a guaranteed annual income is all about is that it is some kind of income test. It does not matter whether the payment is a universal one and you tax back that payment at the rate of 100 per cent in the higher income brackets, or whether individuals make applications that are income-tested once a year, as is the case here. In essence, it is an income test and I think it is the kind of technique that would be used in any guaranteed annual income proposal.

I should like to deal with a couple of other matters. We have heard suggestions for making pensions universal. The honourable member for Winnipeg North Centre indicated that he was very disappointed at the fact that we seem to be moving away from the concept of universality—and indeed we are moving away from it. There is no question that we must move away from this concept. If, as he suggested, we granted our senior citizens a universal pension of \$150 a month it would cost, in addition to what we are already spending on pensions, \$1,100 million. As indicated in the white paper honourable members have received, we could almost institute a guaranteed annual income for the whole population at a cost of between \$2 billion and \$2.6 billion.

If honourable members think that this is within the capacity of the present government or of any government in today's context, they are being totally unrealistic. In adopting the concept of universality, what honourable members are talking about is giving each of our senior citizens an increase of \$10 a month. Instead of receiving \$135, or \$255 in the case of a couple, if we raise their pension from \$80 to \$90 it will cost over \$200 million. This would not do the old age pensioners who really