

*Old Age Security Act Amendment*

that they can still qualify for a pension provided they had 40 years of residence in Canada subsequent to the age of 18. But now, we will draw a line within those groups of people. We will say that these people can draw the \$75 a month while living abroad but they cannot draw the supplement. How many complications has Scrooge thought of in this resolution?

I suggest that when the minister says to us we are orthodox and old-fashioned and that he has thought of something new, he is just playing with words, twisting things and changing them until he has lost his sense of proportion.

I will also say to him that his remarks about people getting their payments by the end of March, as though he had done something generous, do not add up. Some of those people perhaps will not be alive to get these payments at the end of March.

I may remind him that the minister announced this general plan last July. Some of the details have been altered since then, but in the main it is the same plan that was announced on July 14. There was no reason for leaving this plan so long before being presented to parliament for debate and consideration so that payments cannot be made until the end of March. I suppose that as a result of the administrative difficulties with regard to the enactment of the bill there is nothing that can be done about it, but I say to the minister the whole problem of the delayed payments can be solved instantly by amending this legislation to provide for a flat \$105 across the board. There will then be no problem in increasing the payments at the end of December, or at least at the end of January. When you put all these things together, what is income and what is not income, the half you are allowed to keep and the half you are not allowed to keep, the question whether you live in Canada or live elsewhere, and so on, I suggest you build up a complicated system which is so far from what we produced in 1950 and 1951 that it is really disgrace to the party which sits on the government side of the house today.

● (4:30 p.m.)

I appreciate, Mr. Chairman, that it is difficult to carry out the suggestion of the hon. member for Esquimalt-Saanich and to take this matter to a committee now. I suppose that would put payments off that much longer. But I do say to the minister that in 1950 we did have a joint all-party committee of both houses of parliament which went into the

[Mr. Knowles.]

question, spending weeks in fact months, discussing the matter. Like so many tasks which have been done by committees, a good job was done. The Old Age Security Act we have on the statute books today was not dreamed up by the government of that day. There were a lot of good men who sat on that committee and it was the committee that produced an excellent scheme of old age security payable as a matter of right to our elderly people. The government is now going back on the good judgment of an all-party committee which was arrived at in 1950 in trying to bring in this supplementary plan.

We have heard talk today of what the increase is going to cost and we are all supposed to be floored by these figures the minister has produced. We have also been told that the Minister of Finance is going to bring in a supplementary budget to provide for the necessary payments. I deplore this as strongly as I can. During the time this government has been in power over the past three and a half years it has collected nearly \$400 million more by way of old age security tax than it has paid out in the form of old age security pensions.

**Mr. Régimbal:** Where is that money now?

**Mr. Knowles:** I do not know where it is now.

**Mr. Régimbal:** It is in the sock.

**Mr. Knowles:** No, the sock is empty; what was in the sock was used up last month for another purpose. There is certainly no Christmas stocking around as far as this government is concerned. I do not know where the money is. I know that government bookkeeping is largely a matter of bookkeeping rather than a specified amount of dollars in a fund or bank, but the fact of the matter is that the government has collected in three and half years nearly \$400 million more from the Canadian people earmarked for pensions than it has paid out in pensions. Therefore, morally I say that the government is bound to use that money for this purpose before it proposes any additional taxation.

I have a notion, Mr. Chairman, that the government is trying a shock treatment. It just wants to put on taxes at the same time so as to make the people feel that the reason taxes are going up is that pensions are going up. This is supposed to deter people from asking for more pensions for our elderly citizens. I do not think this will be the effect, Mr. Chairman. I do not think the Canadian people are