

## PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under Standing Order 40 deemed to have been moved.

### INCOME TAX—APPLICATION TO OLD AGE PENSIONERS

**Mr. P. B. Rynard (Simcoe North):** Mr. Speaker, I offer no apology for bringing to the minister's attention the case of the filching tax collector. I realize that this matter has been brought to the attention of the minister on many occasions, but there is an old axiom which says that the squeaking wheel gets the grease. I will at another time go into greater detail on the parsimonious way in which the old age pensioner has been treated. He deserves better treatment in the light of the way inflation and over-spending by governments have robbed him.

It was for this reason that I attempted the other day to bring to the attention of the minister the very serious anomaly in present practice relating to the old age pensioner who is receiving supplemental benefits. Nothing could be more ridiculous, having put the pensioner to all the trouble of a means test, than the government's forcing him to reveal his sources of income, however meagre they may be. The government grants him a small benefit and then reduces, it by taxation; renders him ineligible for hospitalization and requires him to pay his OMSIP premiums.

I am sure the minister will on reflection agree that there is a definite lack of fairness in forcing people on welfare to pay income tax, placing them in the position where in granting them one benefit the government takes away two other benefits. I know that this was not the intent of the government's regulations. I simply ask the minister to put his social conscience to work and put an end to this nonsense. If the old age pensioner tries to earn a few dollars, the government taxes this money at the rate of 50 per cent in estimating the amount of supplemental benefit to be paid.

As the minister knows, the supplementary benefit is paid to persons whose proven income is such that they are felt to be in need. It is for this reason that they receive the additional benefit, bringing them up to \$109.20 per month from the normal \$78. I know the minister would not like to live on \$109.20 per month, with or without a means test. In fact, no member of this chamber

### *Proceedings on Adjournment Motion*

would want to live on this amount for a month; yet that is what we are asking our old people to do. Often, they are in straightened circumstances. Do not forget, Mr. Speaker, a means test has been applied, but in spite of that we take away from our old people more than we grant.

● (10:00 p.m.)

Many of our old people, as I have reason to know, are ill and unable to take care of themselves. Yet the addition of this small, supplementary pittance—I cannot call it a pension—makes them ineligible for free hospitalization. They have to pay their own medical care premiums. I, therefore, ask the minister if he thinks, in all fairness, this situation can be justified. I am sure that, since he is noted for his fairness and concern, he will agree an end must be put to this anti-social policy.

There is no problem in the case of social assistance recipients, since the welfare payment is not subject to income tax. But the old age pensioner who is forced to take a means test—after all, we recognize him as being in need—and who is granted an income supplement as his right by law is forced to pay income tax on this meagre pittance. I believe that on reflection the minister will recognize the stupidity of this ludicrous tax on what amounts to a welfare payment, which causes a great deal of hardship and suffering.

I ask, Mr. Speaker, how can you find shelter for half the amount of the old age pension today? On half the old age pension, where are you going to eat? What about your clothing and necessary incidentals? Our old people should be treated with compassion. Inflation steals their hope of trying to get by next month without being forced to eat a little less food. Our old people must keep a shelter over their heads. In addition, many old age pensioners need medical attention, only half of which is paid for if they receive any taxable income. I know that many of them need drugs for these chronic medical conditions which become more frequent as people grow older. Yet we do not help by providing drugs.

I suggest to the minister that it is 20 years since any change was introduced to our system of income tax deductions. The cost of living has gone up, up and up, but there has been no comparable increase in income tax exemptions. In all fairness, I suggest that a revision of our exemptions is long overdue. Even if our old people were allowed an exemption of an extra \$500 of income, that would take care of much of the problem. We