

*Old Age Security Act Amendment*

shorten their comments on this bill at any stage. I have waited and I have listened to their comments and I expect members of the opposition to do the same for me. If they wish to hold up the passage of this bill, that is their responsibility.

**Mr. McCleave:** That is fine.

**Mr. MacEachen:** I repeat what I said earlier. By using the guaranteed annual income approach we are able to put an additional \$30 million a year or more into the hands of the 500,000 to 600,000 older Canadians whose only declarable income is the \$75 a month old age security benefit. The hon. member for Winnipeg North Centre (Mr. Knowles) attempted to get round this point by raising his party's flat-rate ante to \$105 a month. But I suggest, Mr. Speaker, that this auctionary manoeuvre on the part of the N.D.P. in no way changes the basic question of policy, which is whether any additional amounts available for old age pensioners should be distributed among the low-income groups or whether they should be diluted over the entire band of old age security recipients. Merely to escalate the amount of the flat-rate increase does not effectively resolve this basic policy question.

The government has carefully examined all aspects of this question and has decided that the amount of money available at the present time can best be deployed through an income guarantee program. The question raised by the N.D.P. is simply this: shall we tax wage earners more in order to pay flat-rate pensions of \$105 a month in perpetuity to those who really do not need them? The hon. member for Winnipeg North Centre accepts an affirmative answer to this basic question.

But let us examine his solution for a moment. First of all, a flat-rate pension of \$105 per month will not put an additional penny into the pockets of those 500,000 to 600,000 whose sole source of income is now the \$75 a month old age security. It may mean extra dollars for some of those 300,000 Canadians who will be eligible for partial benefits under the guaranteed annual income approach. But by far the greater portion of the additional \$170 million which would be required to finance the N.D.P. proposal would go to those in higher income brackets, above the guaranteed income limits set out in this legislation. In other words, of the additional \$170 million which the N.D.P. proposal would cost, close to 60 per cent of it would go to the 25 per cent of the people in higher income brackets. This would mean, Mr. Speaker, that the hon. member for Winnipeg North Centre and

[Mr. MacEachen.]

his colleagues would impose additional taxes on Canadian wage earners to put extra money into the pockets of a relatively small number of retired persons in the higher income brackets.

The supreme irony of this proposal is that it would transfer tax moneys from present wage earners, many of them supporting young families, to those whose income in many cases would be higher than the incomes of those workers who would be financing those additional benefits through taxes.

**Some hon. Members:** Hear, hear.

● (9:10 p.m.)

**Mr. MacEachen:** I can only say, Mr. Speaker, that this indeed is a curious argument coming from a corner of the house which has so carefully and assiduously cultivated its image as the Holy Grail among the workers of Canada.

**Some hon. Members:** Hear, hear.

**Mr. MacEachen:** I ask hon. members who have participated in this debate and who have argued against this proposal, should we as responsible legislators tax wage earners of this country to give pensions to people whose incomes are greater even than those from whom taxes are collected? That is the basic policy question that has not been answered by any criticism coming from the other side of the house. The hon. member for Winnipeg North Centre and his colleagues have given their answer to this policy question by their amendment. The answer of the government is embodied in this bill, and I am quite prepared to accept the judgment of the Canadian people on this particular approach—

**Mr. Knowles:** So are we.

**Mr. MacEachen:** —because I think the majority of the taxpayers of Canada and the people of Canada will regard this approach as a responsible and realistic approach.

**Some hon. Members:** Hear, hear.

**Mr. Sherman:** Would the minister permit a question?

**Mr. MacEachen:** I would be glad to answer any questions after I have completed my remarks. I have been asked to be as short as possible and I will answer questions when I have completed my remarks.

**Mr. Churchill:** You will have all day tomorrow.