

Social Policy

where the real opposition is coming from. There is no other way to explain the fact that this government has failed during the ten years it has been in power to address itself to this problem in a meaningful way. We get ministers of national health and welfare who come and go and yet who continue to remain insensitive to the problems that still surround us today in this enlightened society of ours. Why should we address ourselves to spouse's allowance? My God, that is fundamental in a just society if there is any kind of justice at all.

There are a number of suggestions I could make to the minister, and I am sorry she is not here. I would like to see her bring in some kind of program which would tie the indexing of the Canada Pension Plan and old age pensions in a real way to the major expenditures of the senior citizens of this country. What are the major expenditures? To most of us who are average income earners of middle age, they are just everyday things; but to an old age pensioner they are major expenses. I am talking about the cost of heat, light, shelter, electricity and food. These are the things that should be taken into account when we review the cost of indexing the Canada Pension Plan and the old age pension.

I believe the Canada Pension Plan should be indexed quarterly. It should reflect these major expenses of senior citizens. Furthermore, I would suggest to the minister very strongly that a survivor's pension under the Canada Pension Plan should not be less than 70 per cent of the contributor's pension, with an eventual goal of 100 per cent. Why not, Mr. Speaker? I would like the minister to address herself to the question of why this reform cannot be brought in and brought in immediately.

I come next to the question of a spouse's allowance. My colleague the hon. member for Kingston and the Islands addressed herself to this most eloquently, as she always does. A person receiving a spouse's allowance should not lose that allowance if the older spouse dies. That is fundamental. It is simple justice.

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired.

● (1712)

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, the motion of the opposition gives us the opportunity to examine in a very broad way various suggestions from the opposition, and more particularly from the hon. member for Winnipeg North Centre (Mr. Knowles), namely that the government should undertake a complete review of the old age security pension, that is the basic allowances and the maximum allowances authorized under the guaranteed income supplement.

The most common suggestions are that the age of eligibility be brought down to 60, that the allowances be the same for everyone and raised to approximately \$300 a month and, finally, that they be indexed to the cost of living. Since all

[Mr. McGrath.]

these questions are directly related to the subject of the spouse's allowance which is the substance of the present motion, and since this proposition, whether it is adopted or not, would eliminate the spouse's allowance, hon. members will understand the importance of my remarks and the reason why it has to be debated here today.

Mr. Speaker, I believe the minister has already indicated that paying the spouse's allowance to any person under 65 would cost the treasury \$2 billion. If the payment were made according to the needs of the spouse, again as regards the same 60 to 65 age group, it would cost the government \$600 million.

Mr. Speaker, we on this side of the House are just as conscious of and just as sympathetic to the needs of a person who loses a dearly cherished spouse and we believe that as Canadians we must bring, at least for a while until the question has been settled across Canada, temporary relief to that situation, at least for six months. It seems to me a very logical suggestion to continue paying the spouse's allowance, a highly acceptable suggestion at the moment even if we have to review it later on after we have made an in-depth study on the advisability of extending it. Mr. Speaker, as I want to review all the pension programs, I will start with the old age security program.

In 1977 the old age security program cost \$4.5 billion, including \$3.4 billion for the basic old age security pension, \$1 billion in guaranteed income supplement and \$100 million in spouse's allowances. Since nearly two million people now benefit from the old age security pension, an increase of \$1 in this pension would result in additional costs of \$24 million each year. Supposing we raise the old age security pension to \$300 a month across the board, the current rate being \$156.66, we would be doubling the monthly payment.

It can easily be figured out that two million pensioners each receiving \$300 a month or \$3,600 a year would cost the federal treasury \$7.2 billion every year. This would represent a total increase of nearly \$3.8 billion or more than 84 per cent of current outlays. Moreover, as we are often urged to do, we could consider eliminating the means test which is now required to establish eligibility for the guaranteed income supplement. In other words, all pensioners eligible for the old age security pension would also be eligible for the guaranteed income supplement.

If we assume the number of single citizens as compared to married citizens will remain constant, we can make a rough estimate that 1.1 million persons over 65 would receive the guaranteed income supplement at the rate established for single pensioners, and that 900,000 married persons would also be eligible for this income supplement. This additional expenditure would reach \$2.4 billion at the current rate or \$1.4 billion over the cost of the guaranteed income supplement. Total expenditures for the old age security program would then rise by \$5.2 billion a year at the current rate, if we were