

alternative means of augmenting their incomes. They are much more dependent on help from others than are younger groups in the population who may also be needy. The inadequacy of benefits now provided for social assistance recipients is not a very compelling argument to old people who are poor. Rather it suggests that ways must be found to improve also the levels of social assistance.

The fact that we plan to act now to improve the position of our aged people, for whom the federal government has recognized its direct responsibility since 1951, does not preclude us from reviewing the whole field of income security in April and succeeding months, including pensions for the aged. It should not be assumed that in our discussions on the income security system we will be confined to a search for ways to redistribute only those resources that have already been allocated to the system. It may well be necessary to find new resources or to shift resources from other areas into the income security system in order to achieve our overall goals for the people of Canada as these are agreed on by the governments during the general review process that we are undertaking.

By this measure we are allocating an additional \$300 million to benefits for aged persons, bringing total expenditures from the OAS fund for 1973-74 to about \$2.9 billion. This represents an expenditure of 15.3 per cent of the total federal budget. Such large expenditures for one segment of the income security system demand that we examine closely the total allocation of resources in the battle against poverty. What levels of assistance should be provided to persons over 65 and what levels to needy people on provincial assistance? What proportion of the total national product should be allocated to the income security system? It is incumbent upon us to explore the needs of all the poor and not just the aged poor.

We feel that with this measure that is before the House, together with the other measures taken in the taxation field, Mr. Speaker, we have dealt fairly with the needs of our aged people. We should now turn our attention to the needs of other poor people who do not qualify for OAS payments. In particular we are concerned with the needs of poor families in our country, and our next step will be the reform of the family allowance program. This move was promised in the Speech from the Throne, and was expanded on in my speech in this House on January 11. The government has firmly undertaken, in a bill introduced during the present session, to show the same concern for the families of this country, as it has shown today for our old people.

• (1600)

[English]

At the moment we are spending about \$640 million for families with children under 18, including \$560 million for family allowances, \$58 million for youth allowances in nine provinces, and \$22 million through fiscal arrangements for schooling allowances in Quebec. The federal and provincial treasuries, by means of the exemptions from taxable income given to parents with dependent children under the federal income tax legislation, are in effect further subsidizing tax paying families by giving up

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\$610 million in income tax revenues. Through the Canada Assistance Plan—

Mr. Stanfield: You have big hearts, you fellows.

Mr. Lalonde: One thing is sure, Mr. Speaker, when the Conservatives were in power federally they did not do a thing with regard to family allowances. If you go through the record of social legislation in this country, Mr. Speaker, you will find that the Conservative party has done practically nothing in this whole area.

Some hon. Members: Hear, hear!

Mr. Lalonde: Through the Canada Assistance Plan the federal and provincial governments are spending \$1.4 billion for persons in need, including needy families with dependent children. We intend to tackle the problem of family poverty and to rationalize our treatment of children under these various programs in the course of the review we are about to undertake with the provinces.

Last year we raised the OAS-GIS payment by \$15 a month. At the same time we changed the escalation provisions so that the full increase in the annual cost of living is applied both to the OAS pension and to GIS. I was amazed to see during the recent election campaign and since, editorials stating that we should escalate the old age pensions, this having been done since the budget last May. We have now further increased the basic OAS pension to the level of \$100 a month. This means that the elderly people in Canada are guaranteed an annual income of \$2,042 at the single rate and \$3,895 at the married rate. Together with the CPP retirement pension, an old person could get a combined pension of \$2,524 if single or \$4,378 if married to an OAS pensioner.

It is difficult to compare pension levels from one country to another because of the wide differences that exist in the nature of each country's pension system. Most countries have contributory earnings-related pensions, like those under the Canada and Quebec pension plans. Some of these make provision for a minimum pension, but not all. Only a few provide for universal pensions, like Canada's old age security plan. As well as the complexities, there is the problem of converting foreign currencies into Canadian dollars in a way that will recognize the price levels in each country and the average levels of income. The *Canadian Magazine* in its August 19, 1972 issue reported on the cost of an identical basket of food in the capitals of 23 countries. While such a basket of food is not the measure of the standard of living in each of these countries, it does provide an approximation of the living costs since food is an important factor in the budget of an elderly person.

In relating Canadian benefits for the aged to food costs as calculated by the *Canadian Magazine* country by country, the following situations are observed. Canadian minimum benefits are higher than those in Sweden, and in addition food costs in Sweden are about 80 per cent higher than those in Canada. While food costs are nearly 20 per cent lower in the United Kingdom, Canadian benefits are almost three times as high as those in the United Kingdom. Food costs are about 10 per cent higher in the United States, but minimum benefits in Canada are more than double those in the United States. The maximum