

*Old Age Security Act Amendment*

Let me say to him also that the ingenious system he has devised under which people will have to count toward the supplement only half of their income will produce some very interesting difficulties and complications. As I understand it, if a person is making \$30 a month, only \$15 of it is charged against his record for purposes of getting the increased pension. In effect, therefore, this person is being taxed a 50 per cent rate on the \$30 he is making and all the people earning from \$30 up to \$60 will be taxed a 50 per cent rate on the money they are making over and above their pensions. These are people who have already paid taxes to provide for the pensions, who are paying the sales tax and are probably paying other taxes as well. The Minister of Finance must have dreamed up this 50 per cent tax on the little bit of income which pensioners earn on the side.

If a pensioner earns over \$60 a month, then he is not eligible for any portion of the increase, so that in effect a 100 per cent tax is imposed at that point.

What a proposal to be laying before the house in the month of December. I misnamed the minister by calling him the Minister of National Revenue but my hon. friends around me are giving him his real name; it is Scrooge. That is all we can call a minister who is proposing this kind of scheme just two or three weeks before Christmas.

The administrative difficulties in connection with this plan will be out of this world. The minister tried to tell us that the forms will be simple. We have seen simple forms from the government before and I can imagine how simple these forms will be. He has already told us that in the first year this plan, as he has revised it, will cost some \$260 million to \$280 million a year. He has said that the scheme we have advocated, namely a flat increase without a means test, would cost \$100 million more than that. He nods his head in approval.

I submit that by the time one has considered the administrative costs of all the complicated details, and by the time one has considered the take-back which would come in the way of income tax when pensions are paid to people in the higher income brackets who do not need them, the difference of \$100 million would be considerably narrowed. Even if it were not wiped out altogether but only narrowed, \$100 million is a small sum compared to the amount of money which this government throws around, and compared with what is required to meet the needs of our

older people and the maintenance of their dignity and their self-respect.

Another admission which the minister has made in the course of his remarks this afternoon is that he regards this as a temporary measure. He tells us that in the course of time, as the Canada Pension Plan gets into full operation and people start getting pensions under that legislation, there will be fewer payments under this plan because the combination of old age security and the Canada Pension Plan will put people beyond the range of this proposed increase. In other words, this is a plain admission by the minister that it is not a genuine, absolute increase in the basic amount of old age security; this is just a temporary measure to bide for a bit of time.

When we were discussing the Canada Pension Plan—and I was involved in that discussion to quite some extent—we were assured time and time again that the introduction of the Canada Pension Plan did not foreclose the possibility of increases in the basic amount of old age security. It is my contention that it would be a much better balanced pension plan if the amount under the Old Age Security Act were larger in relation to the amount that comes under the Canada Pension Plan. This is an admission that this will not happen. It is a temporary measure to see things through for a little while, and it leaves the basic pension under the Old Age Security Act at \$75 a month.

Some of the points I am making are not necessarily in logical sequence, but I had to jot some points down as the minister was speaking. I will now refer to another element of unfairness which I think the minister is importing through this resolution. We have fought for years in this parliament over the rights of Canadians who go abroad, either at the time of retirement or after they have gone on pension. Surely, in Canada we do not regard it as a sin for people to go to warmer climates when they are older or to go to places where their children live, or to the old country whence they came.

Gradually, we have improved our attitude in this respect. At one time you could hardly go abroad and retain the right to draw your pension. Now we have reached the position where if you had 25 years of residence in Canada after the age of 21 before you went on pension, you can draw your pension anywhere in the world. At present we have gone a step further and we say to the people who must leave the country before their pensionable age