

Old Age Security Act Amendment

namely, that older people are entitled to draw a pension as a matter of right, not just because they may need one. These people have earned every penny of the pensions they have been granted. We must not forget that wages have gone up and the cost of living has increased. This being so, old age assistance should be increased in accordance with the increase in the cost of living. It may be that such an increase would not be proportionate to the increase in wage rates, but there is a principle involved and pensioners are entitled to have their pensions increased in the same way as workers are entitled to an increase in wages.

Members of this party feel that they are obliged to support this bill. We cannot do otherwise. We cannot place ourselves in the position of voting against a measure from which many people will benefit. But though we support the bill I do not want anyone to get the idea that we approve of its principle. I certainly do not.

I am sometimes amused when I hear the desk thumping on the other side of the house, particularly when some backbencher gets up to acquiesce in whatever action the minister intends to take. I wonder whether those members are getting the same kind of letters that we are receiving or whether they are meeting the same kind of people we are meeting. Someone sitting near me says that they are hiding their heads in the sand. I wonder whether they are speaking for their constituents or trying to win a little favour from those sitting on the front benches. I believe the latter is the case.

As I say, we will support the bill even though we do not approve of the principle. As has been said before, half a loaf is better than no bread at all and it is on this basis that I intend to support the measure before us.

The Chairman: Shall the clause carry?

Mr. Simpson: Would the minister deal with some of the questions which were asked?

Mr. MacEachen: The hon. member for Churchill asked me to tell him the number of persons who are expected to receive the full benefit of this legislation. We believe that at least half a million old age pensioners will be eligible for the full \$30 per month. We assume that an additional 300,000 or more will be eligible for partial supplements. So there will be a total of some 900,000 receiving either full or partial supplements.

The number of those receiving old age security supplements from the provinces is [Mr. Fawcett.]

estimated to be 60,000 and the average benefit paid to them by way of provincial supplement amounts to \$22. So this group will be better off on the average than under the provincial supplement programs. In the province of British Columbia I believe the maximum supplement is \$30 a month. Hon. members will notice that we do not regard a provincial supplement as income so the federal supplement will be payable to all pensioners who qualify. They will not be denied by virtue of any provincial supplement. It is a matter for the provinces then to determine whether they will continue their supplementation. We stand ready under the Canada Assistance Plan to contribute 50 per cent of supplementation by a province in excess of \$105 up to the level determined by the province. Thus our plan is neutral with respect to what happens in a province. It is still open to a province to continue its supplementation if it wishes in excess of \$105 a month and we shall share the cost in provinces which decide to pay more under the Canada Assistance Plan.

Mr. Pugh: Has the minister had any conversations on this question with the provincial authorities? He has mentioned British Columbia. Has the minister had any conversations which would lead him to believe that provincial governments might make a cut in present assistance?

Mr. MacEachen: I have had an exchange of correspondence with the premier of British Columbia in which I explained as carefully as I could the effect of our legislation as I saw it on any provincial supplementation, and the possibilities which were open to any province. I have had conversations with provincial authorities in Prince Edward Island which pays a straight \$25 a month across the board. I have attempted to explain the situation. I am not in a position to request a province to take any particular course with respect to its supplementation policy. I have attempted in this bill to keep our legislation neutral in that respect and to give the provinces a free hand in deciding their course of action.

Mr. Simpson: Does the minister feel that if a particular province discontinues its supplementary payments to recipients of old age pensions the purpose for which this bill was introduced will have been achieved when they receive the additional \$30 from the federal government?

Mr. MacEachen: The hon. member will see in another clause of the bill that we do not intend to regard any provincial supplement as