

*Old Age Security Act Amendment*

so. I am not certain whether the minister is aware of this but I am sure he knows that the gratuity has been reduced time and time again based on the fact that the company was supposed to be paying 2 per cent of their income for old age security, which they could not have been doing since they have not shown a profit for a great number of years.

Has the minister received from Dosco any assurance that when the supplement to the old age security plan will come into effect those men who have been receiving a gratuity from the company, and especially those pensioned off since 1952, will be able to profit from it? I think the minister should acquaint himself of these facts before saying that 900,000 people will receive benefits from this plan. He said that there would be nothing undignified about receiving this supplement. He has not been in touch with those people who are looking forward to an increase in old age pensions. All these people have been looking forward to an increase without being forced to subject themselves to the indignity of an income test.

● (10:40 p.m.)

The minister also knows that it would be a much simpler formula to pay everybody, including members of this house and members of the other place, than to impose a means test. Granted, as the hon. member for Winnipeg North Centre has pointed out, that the test is not as severe as it was, but it is still a means test the implementation of which will require inspectors, auditors, rental of property and everything else, something which I do not think the minister has taken into account in arriving at a total cost figure.

If it was cheaper to pay the old age pensioners a pension under the formula and principle advocated by the Liberal government at the time, then it is cheaper today. With nothing more than an amendment to the present legislation the pensioners of this country could receive today \$95 or \$100 just as they were able to receive \$40 under the principle advocated by a previous Liberal government with the pension being payable automatically at age 70. The minister is definitely overlooking some of the cost involved and the number of men who will be required to police this piece of legislation.

I could make a few remarks about what was said by the hon. member for Brantford (Mr. Brown) but let me say this. As I indicated on another occasion, though we may have a certain respect for some members of parliament it appears to me that in this case the

[Mr. MacInnis (Cape Breton South).]

members of the Liberal party are fearful of the Minister of National Health and Welfare. Despite their feelings about the old age pensioners of this country they do not have what it takes to stand up and express their feelings by voting for an old age security pension without a means test, a test which has been referred to as the "MacEachen test".

**Mr. Arnold Peters (Timiskaming):** Mr. Speaker, it seems to me that once more the Liberal government have done something they have been doing for a long time. I can remember when both government members and members of the opposition fresh from an election campaign raised the question of increasing the old age pension to \$100, and there was a hue and cry from the treasury benches that this would cost the Canadian taxpayers \$800 million. I remember indicating my opinion that if we were to pay \$100 at the reduced age of 65 the sum involved would be much less than half that amount. I believe we now have a piece of legislation which indicates that the government was completely irrational in setting that amount and that they have come to this conclusion rather reluctantly.

The minister will realize that the establishment of the old age pension in Canada without a means test resulted from pressure applied by every old age pensioner in the country over a number of years as well as by every politician who stood for office. I am sure there was no politician close to the people—those of us who were elected must have been in tune with the people in our respective areas—who was not aware of the fact that the worst type of anomaly occurs in the imposition of a means test. For that reason the government was persuaded to remove it, which I think was a step in the right direction.

This government is a minority government not only in the house but amongst themselves. There are two financial factions in the Liberal party. There is the one which believes in ultra-conservatism. I would not consider the other progressive but it is at least in tune with the times and is trying in a conservative way to promote new thinking toward legislation. When these two groups in the Liberal party come together this is the type of legislation which results.

We are all aware that this piece of legislation does not stand alone. It involves a needs test and therefore carries with it a certain stigma. It also ties in with other legislation such as the Canada Pension Plan and our