

Old Age Security Act Amendment

paper and the strings become worn, the package keeps falling apart.

It is not a neat package. It is a jungle. In my opinion, we would have been much better off if, in the beginning, amendments to the Old Age Security Act had increased the amount of old age security. The administration of that act is reasonably easy and had we left it that way I fully believe we would not have had to take these three additional steps to set up protection for our senior citizens.

● (6:40 p.m.)

As I said, I am going to vote for this measure. Perhaps if the government keeps bringing in bills we will eventually plug all the holes and adopt one standard form for people to fill out. Such a form could be sent down to the national revenue headquarters and run through a computer. The form would show whether an individual was or was not a war veteran and the amount of his income and so forth. The computer would then give an answer as to whether or not he was entitled to an increase in old age security or other assistance. Perhaps that is the position we will reach in the end. In any event, let me add to the confusion by saying that I intend to vote for this bill because I have no other choice.

Hon. A. J. MacEachen (Minister of National Health and Welfare): Mr. Speaker, I wish to begin my comments—

Mr. Deputy Speaker: Order, please. I must advise the house that if the minister speaks now he will close the debate.

Mr. MacEachen: Let me begin my remarks in closing this debate on second reading by thanking hon. members who have participated for the benefit of their opinions on the bill now before us.

As I stated during the resolution stage and later during the introduction of this bill, this measure introduces the concept of a guaranteed income for recipients of old age security. The purpose of the measure is to guarantee an annual income of \$1,260 to single recipients and \$2,520 for married recipients. In addition to that, the measure will provide partial supplementary payments to single individuals in the income range of less than \$1,620 and to married recipients in receipt of incomes in the range of less than \$3,240.

The annual estimated cost of this measure, at least for 1967, is \$270 million. All of this money will be spent in supporting the incomes of single old age pensioners who receive less than \$1,620 per year and married old age

[Mr. Aiken.]

pensioners with a combined income of less than \$3,240 per year.

Hon. members have argued strongly in favour of their advocated concept of what is described as universality. They have agreed with the decision of the committee, and later of the house, in 1951 to establish a universal old age pension plan. Whatever the merit of that plan, and there was definite merit at that particular time, it is still a fact that the proposal I am making has one advantage not enjoyed by the plan adopted at that time. All of the money that will be allocated through this measure for old age assistance will be given to individuals with low and modest incomes. No one has argued against that point, because it embodies one of the chief principles of the guaranteed income approach. I suggest hon. members ought to consider the measure adopted in 1951 as one that should not necessarily stand for all time. At least, they should be prepared and willing to examine alternative approaches as time goes on, to determine whether or not there is a better way of redistributing income in favour of those pensioners on low and modest incomes.

Let me suggest that this measure does exactly that, redistributes income in favour of those on low and modest incomes. That is the principal argument in favour of the measure I am advancing to this house. While it is true that universal old age pensions are paid to everyone who has reached a certain age, it is also true that a certain portion of that income is lost in the sense that it does not reach those with low and modest incomes. The only reason I mention this to members of the house at this stage is to illustrate the fact that there are many classes of individuals in this country who would benefit from an across the board increase, but this would not be of help to those on low and modest incomes. This measure does represent a 40 per cent increase in old age security, and this is the first time the House of Commons has been asked to approve a 40 per cent increase amounting to \$30 per month in benefits.

This measure is superior to the proposal to increase old age security by \$25 across the board because it does have this redistribution effect. It gives an additional \$30 a month to at least half a million old age pensioners, in contrast with the \$25 monthly increase. It also redistributes at least \$36 million to that group who, under the proposal advanced by the Leader of the Opposition (Mr. Diefenbaker), would be denied this amount of money.