

Canadian society. If the government does that, surely it will make amendments to the bill so that everyone in our society will be treated equally. Surely it is not asking too much at this time to consider the 510,000 people who would be affected if they were included under this bill. These people have been included in other types of settlement that have been made. There is no reason why these people cannot be included in this bill.

I am sure that more observations will be made on this subject, because there are millions of poor in Canada. People in other countries have a planned economy, while we have everything that is needed to bring about a planned economy but cannot achieve it. I am certain that if we had a planned economy the distribution of wealth and income of this country could be adjusted to take into consideration those people who have played a great part in the making of Canada.

**Mr. A. C. Cadieu (Meadow Lake):** Mr. Speaker, I feel it is my duty to take part in the debate on second reading of this bill because many of my constituents who are having a very difficult time know that this measure will affect them. The bill before the House is an odd phenomenon and reflects the ineptness of the white paper on income security for Canadians. The white paper on income security claims that the government wants to fight poverty. If this is so, this bill is a pretty poor weapon and the poverty line is secure.

Let us state now that a full adjustment for the rising cost of living should be given to all recipients whether or not they receive the guaranteed income supplement. This adjustment should be consistent with the annual cost of living index. Money is currently available for this purpose. The fund has had large and steady surpluses for several years, and the balance at the end of the 1969-70 fiscal year was about \$725 million. For the majority of those who receive welfare payments there is no real incentive built into the current program which would encourage them to work and be independent.

I should like to comment on clause 7. The time for repayment should be specified in clause 7 (a). With regard to clause 7 (b), repayment of overpayment caused by administrative error may cause great hardship. This arrangement should be amended so that the cost of overpayment caused by administrative error is at least partially borne by the administration. The recipient should not have to pay for administration errors. Clause 8 gives the governor in council power of regulation to determine the month in which an applicant or his spouse ceased to hold office or employment or carry on business, or suffered loss or reduction of private pension income. These matters should not be made subject to regulation but should be determined at least by a third party—a board or administrative tribunal, but not by governor in council.

I should like to refer hon. members to the research office paper on statutory instruments. Criticism of the powers and use of regulation by the governor in council is relevant in this context. In October of 1970, 1,704,068 people received old age pensions. The present flat rate

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for old age pensions is \$79.58 per month. The proposed flat rate increase amounts to 42 cents a month. The poverty line in 1968 for single persons was fixed at \$1,800 and for married couples at \$3,000. More than 50 per cent of Canadians 65 years of age and over live below the poverty line. The present guaranteed income supplement pays a total of \$25.75 a week. Under the bill, guaranteed income supplement benefits are increased to \$95 a month for married couples and to \$55 for qualified single persons.

• (5:10 p.m.)

Changes in the old age pension would become effective on January 1, 1971. Changes in the guaranteed income supplement would be effective as of April 1, 1971. Transitional rates regarding guaranteed income supplements would be as follows: Between January 1 and March 31, 1971, the guaranteed income supplement would be \$33.61 monthly for an individual and \$67.22 per couple. These amounts would have been payable to guaranteed income supplement recipients in January through normal escalation under existing legislation. Income supplements could assist pensioners in the poverty group who are facing increased costs during the winter months.

On the economic front, the fight against inflation seems to be waged on a "victory at any cost" basis and the old age pensioners are the scapegoats. The old age pensioners are in a special category in our society and are undeniably suffering from the effects of inflation. With ever-increasing unemployment throughout Canada there is virtually no hope for an able pensioner to augment his meagre income. This situation is worsened during the winter months. Steps should be taken to assist the pensioner just existing at the poverty level to meet the higher running costs of the winter months. The increases to be implemented will just serve to allow the pensioners to catch up for the time they have been frozen at a 2 per cent annual increase. The cost of living has risen more than twice that amount.

Surely this country is not so hard-up, surely times are not so desperate that we must further penalize our old people in order to come to grips with inflation, and surely this should not be done by a government that professes to be taking us into an age of greatness. We have mass unemployment. Pensioners, both old age pensioners and war pensioners, are among the unemployed. With the present recommendations there is no incentive for them to get out and help themselves. I know of many elderly couples where one spouse is in receipt of a pension but the other cannot find work, and because of pride they do not want to plead their case. They are struggling along, trying to live on a single pension. I know of many cases where a couple is receiving a pension and is attempting to struggle along on a smallholding in districts where even well-equipped farms are meeting difficulty under present conditions. In many cases these people receive no supplementary allowance; all they receive is \$79.58 per month.

These people have not drawn their plight to the attention of the authorities, but I know the hardship they are