

Old Age Security Act Amendment

entertained. If you want to give it some consideration, I will be glad to argue the point later this evening after the adjournment suggested by the opposition whip.

Mr. Starr: Mr. Chairman, because of the limitation of time available at the resolution stage, perhaps we should leave this amendment for the time being. The Chair may be able to make up its mind without argument. If time permits the opportunity should then be made available to those who wish to put forward their views. At this moment, I think we should proceed with the consideration of the resolution itself.

Mr. Knowles: Mr. Chairman, I take it that pending a ruling on the proposed amendment, for all practical purposes we are now discussing the proposal laid before the house by the Minister of National Revenue.

Some hon. Members: Oh, oh.

Mr. Knowles: I am afraid that slip indicates that this pension proposal sounds like a tax collector's offer instead of an offer by the Minister of National Health and Welfare, and I apologize to both hon. ministers.

The needs of our pensioners in this country are such that we welcome the announcement that something is going to be done. Let me remind hon. members that a few months ago at a Canadian conference on aging held in Toronto it was agreed that the minimum amount which an elderly person needs in order to get by at the present time is \$138.96 per month. We are still far behind the needs of our people when talking about pensions of \$100 or \$105 per month. Incidentally, I hope we will not argue over the difference between \$100 and \$105 per month and I suggest that we now try for at least the \$105 which the government is talking about, but that it should be without a means test of any kind.

In the short time that is at my disposal—I believe I have only 20 minutes—I should like to look briefly but squarely at the issues raised as a result of the way in which this proposal has been made by the government. In the first place, no matter how much the minister may try to dress it up, and no matter how much he may try to rely on semantics, the fact of the matter is that if a pensioner has to report his income in order to obtain the increase he is being subjected to a means test.

I say, therefore, to the minister that this change is not only a retrograde step, but it washes out the tremendous advance we made in 1951. In 1951, we decided that when

[Mr. MacEachen.]

Canadians reach the old age pension age they should all be equal. This government has decided that from now on our elderly people will be in two classes. All will have paid taxes to provide for old age pensions and they will also be called upon to pay various taxes even when they are pensioners. Though they are all equal in paying for old age pensions, when it comes to receiving them there will be a portion people will receive as a right, and another portion which will be received only if they meet the income qualifications.

I suggest that the government is taking a very unfortunate and retrograde step which I do not believe the Canadian people want to take. Parliament should not be asked by this government to take such a step. I recognize that the minister has come up with an income formula that sounds a lot less strict than means test formulas sound in respect of some other legislation.

● (4:20 p.m.)

It sounds a little less strict than the means test formula which was in the original Old Age Pensions Act. However, even under this test of income the following problem will still exist, and it is a serious one. One pensioner will be able to get the increase because the extra income which he earns places him in category A and another pensioner will not be able to get the increase because the extra income he earns places him in category B. There will be much ill will, bad feeling and plain ordinary misery amongst the ordinary people of this country because of the distinction between what is and what is not income. The minister can boast about what is not counted as income but there are still too many revenue sources that are counted as income. For instance, I can think of all the superannuated civil servants for whom we are trying to get an adjustment and whose pensionable income is taxable; and of all those who are on pensions of \$60 a month or more who will not be able to qualify for \$1 of this increase.

I have given just one or two examples of the kind of difficulty which will arise. I refer to difficulties in the interpretation or definition of income, and I say to the minister it is not worth the days and nights he must have spent in trying to dream this up.

As a matter of fact the whole proposition is so complicated, and will be so costly to administer, that I say to the minister he should have taken the simple and direct approach we have been advocating for months, namely an increase in the pension by a flat rate across the board.