

Old Age Security Act Amendment

grow up around them and now are living in the towns which they helped to build. These people have been faced with the additional costs of living inherent in any town and city dwelling and will, I know, be well able to use this supplement to the old age security pensions they presently receive. Many types of areas in which older people live in this riding are, I am sure, repeated across Canada; on the west coast in the mountain areas and in the maritimes. I am sure that everywhere there are older people who are waiting for the proposed legislation to pass, so that they may enjoy a little more security and comfort, which is their right.

I have lived, Mr. Speaker, in the Labrador area of the province of Newfoundland for the past 14 years, and the latter portion of that time in the industrial area of western Labrador where the number of retired people is comparatively small. The people in this industrial area come from all over the riding as well as from other parts of the province and from other provinces. These people are concerned about their retired friends and relatives who are living in their original homes. They are only sharing what is a general concern, that this legislation will be passed as soon as possible to give the older people this very necessary additional income.

I urge those who oppose this legislation to remember that these are flesh and blood people who are waiting for their assistance. They should remember that the diatribes the opposition has directed at the minister and other members of the house may keep those individuals who do the talking warm, but do little to warm the pensioner who is trying to stretch his cheque to cover food, fuel and clothing.

This program, Mr. Speaker, will provide a supplement of an additional \$360 a year to persons presently receiving old age security who require this additional supplement. For those who have partial income, there is a provision for receiving part of this supplement, so that a single pensioner is guaranteed an annual income of \$1,260 and married couples are guaranteed an income of \$2,520 a year, if they are in the age bracket for old age security. The supplement is expressed as a percentage of the \$75 a month basic old age assistance. This means that the supplement will be raised, together with any raise in the basic flat rate of the pension which could result from changes in the cost of living.

For those who have a small personal income in addition to the old age pension, the

[Mr. Chatwood.]

proposed legislation provides for a partial supplement. In this way, the amount of the supplement would be reduced by \$1 per month for every \$2 a month that personal income increases over and above the flat rate of \$75 a month. This means that a person would have to have a personal income of \$60 a month or greater in order for the supplementary pension not to apply. The bill provides for more assistance to people with a small income from pension or personal sources or from part-time employment, and allows some of our pensioners to take part-time jobs for small remuneration without having too large an effect on their supplementary pension.

Last year an amendment to the Old Age Security Act made provision for the lowering of the age of eligibility from 70 to 65. This means that in 1967 all persons of age 68 will be covered by the old age pension and by 1970 all persons of 65 years of age or above will be covered. All these people will, of course, be eligible for this new supplement.

• (5:40 p.m.)

This legislation, Mr. Speaker, is intended to take effect in January, 1967. The setting up of the administrative side of the program is a very large task, and it is expected that the retroactive supplementary payment will be sent out to recipients with the March old age security cheques. Following that, those receiving full extra benefits will continue to receive their cheques for \$105 each month, and those receiving partial supplements will receive a cheque for the appropriate amount. In all cases, of course, the basic amount of \$75 will be maintained. An important item in the calculation of a person's income is that when a person retires in the middle or at the end of a year, to prevent hardship to him he may disregard his earnings during the part of the year that he was employed. He may use his income status for the remainder of the year after retirement or the income during his first full retirement year, as a basis for his eligibility for the supplement.

It would be very simple to ask that there be an across-the-board increase to all old age pensioners. But it seems to me that by adopting this approach, in actual practice we would be giving assistance to those who did not need it. Unless we are prepared to adopt realistic measures which meet the pressing needs of older people as well as other low income groups, we shall have failed in our task. I congratulate the minister for the enlightened approach which has been taken in meeting the