

Old Age Security Act

[English]

Mr. Maurice Foster (Algoma): Mr. Speaker, I would like to discuss the impact of Bill C-26 and the spouse's allowance provisions of this important Bill. As far as this Bill goes, it will certainly provide an additional benefit to widows and widowers. It will extend the provisions made in 1975 and expanded in 1979. Benefits paid to persons between the ages of 60 and 65 will be improved. That recommendation was made by the special committee on pensions. The proposals are to be applauded as far as they go.

A great many people in the age group 60 to 65 are unemployed. They often have ill health, do not qualify for provincial disability pensions, and require additional funding. Approximately 94,000 Canadians now receive the spouse's allowance. Those people receive it because their spouses receive the old age pension and guaranteed income supplement and they meet the requirements of the income test. Bill C-26 will extend that benefit to widows and widowers in the age group 60 to 65. It is very beneficial in that regard.

To receive a benefit a person will not have to lose a spouse who is receiving the old age pension or guaranteed income supplement. They will only have to be in the appropriate age category and qualify with regard to income levels. This provision will extend the number of recipients across the country from 94,000 to 179,000. From that point of view it is a very good move.

● (1250)

The concern being expressed in old age residences and other facilities throughout the country is why there should not be total equity in this program between widows and widowers and others in the same age group with the same financial level. For instance, why can it not be provided to divorced people as well, who often face serious financial difficulties when they move from a relatively secure situation when married to a poorer financial situation when divorced?

Of course, there are those who have never married. There are men in this age group who have lost their jobs after productive years of work and women who do not have a job or are unable to work because of ill health. I believe that the demographics and studies of that age group indicate that the lowest income group are women from 60 to 65 who do not have other sources of income.

It is difficult to explain why the Government would introduce legislation that favours widows and widowers over people who have never married and those who are divorced. I have had inquiries from my constituents about why these provisions are not made available to all people in this age category with income levels of \$10,728 or less. I hope the Government will introduce an amendment to assist this group because it is certainly rank discrimination on the basis of marital status.

I suggest that if the Government referred this Bill to the Supreme Court it would find that it is discrimination that would not be allowed under the Charter of Rights and Freedoms. If the Bill is passed in its present form I am sure it will

be challenged in the Supreme Court on the basis of discrimination because of marital status.

I hope before the Bill passes second reading stage the Minister will extend these benefits to people who have never been married and people who are divorced. It would be quite improper for the Government to provide benefits purely on the basis of marital status. I suggest that is unacceptable to all Canadians.

It is quite possible that this legislation was debated in Cabinet before it was introduced in the House. I can only surmise that perhaps it was drafted on the basis of a recommendation by the Minister of Finance (Mr. Wilson) who was trying to save money. The fact is that it would cost somewhat more to provide the benefits to people who have never been married and to divorced people. In fact, it would cost \$135 million per year to extend the benefit to separated and divorced people and it would cost \$180 million per year for people who have never been married.

However, when one considers the fact that the program as it is proposed now will cost \$1.345 billion, surely it is not an unreasonable financial expenditure in order to provide equity to these many other Canadians. They have worked hard in this country and have contributed to OAS. They also paid their taxes according to the earlier provisions in the Income Tax Act which provided for a separate contribution to the old age security fund. Those Canadians paid their taxes under that regime during the 1940s, '50s and part of the '60s in anticipation of receiving the full benefit when they retired. Now we see a proposal being put before the House which discriminates against this group of Canadians between 60 and 64 who are single, separated or divorced.

I hope the Government will realize the unfairness of this Bill and introduce an amendment before we finish second reading. In that way, these 80,000 or 90,000 Canadians who have contributed so much throughout their working years will not be discriminated against and hopefully the Bill will be more fair and equitable to everyone concerned.

Mr. Gauthier: Mr. Speaker, I am pleased to rise in the House to debate Bill C-26 at second reading. It being so close to one o'clock, and for the sake of continuity in my address, could I call it one o'clock and continue my comments this afternoon?

Mr. Deputy Speaker: Is there unanimous consent to call it one o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: I call it one o'clock. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 12.57 p.m. the House took recess.