

Old Age Security

Liberals have increased the maximum by more than \$100 per month. Compare that figure with the 19 measly dollars that the Conservatives paid out from 1957 to 1963.

Mr. Baker: Tell us about the cost of living.

Mr. Lalonde: In the same period, total expenditure on old age pensions has risen from about \$1 billion to approximately \$3 billion a year, with an increase in the number of persons benefitting from the plan from 1.2 million in 1967 to the present figure of 1.8 million, owing mainly to the lowering of the qualifying age to 65. And on top of this, one must add the pensions paid under the Canada Pension Plan and Quebec Pension Plan, another milestone in the provision of income security for retired persons introduced by the government of Lester B. Pearson.

If we compare the amount that a low-income couple aged 65 and over can obtain to the amount that a low-income couple under the age 65 receives under the provincial social assistance, we find that the maximum attainable for senior citizens is almost \$4,000. Social assistance rates, however, range from a low of \$2,000 to a high of \$3,000 for a couple across Canada. In fact, the rate for a couple on full old age security is greater than the social assistance rate for a couple with one child in every province and the rate for a couple with two children in six of the ten provinces. This disparity is of very great concern to all of my provincial colleagues, and is one which is now being worked on.

One must not forget at this time that in addition to increasing the monetary benefits for our senior citizens, the budget brought down by my colleague the Minister of Finance (Mr. Turner) in February of this year increased the basic single exemption from \$1,500 to \$1,600 and the married rate from \$2,850 to \$3,000—this in addition to an exemption for senior citizens which now stands at \$1,000 and which may be claimed whether or not the person is receiving the old age pension. At the same time the Minister of Finance reduced the basic federal tax by 5 per cent, a reduction which will result in decreases of between \$100 and \$500 in the basic federal tax payable.

Thus the Liberals have long demonstrated their commitment to the financial security of our older citizens. We have no wish to see that commitment eroded by forces beyond their control as we continue the fight to bring inflation under control.

Mr. Caouette (Témiscamingue): On a point of order, Mr. Speaker, the minister has just made a pure political campaign speech. He should tell us when the election is going to take place or admit that his speech is taken from Social Credit speeches of the last election.

Mr. Deputy Speaker: Order, please. I think the hon. member is anticipating a point he might like to advance in the debate at some stage of our discussion, but I do not think that the intervention just made properly falls under the heading of a point of order.

Mr. Lalonde: Mr. Speaker, I am very flattered by the compliment paid to me by the hon. member for Témiscamingue (Mr. Caouette) and, if this is a political speech, in which I am only reciting facts, I suggest that it

[Mr. Lalonde.]

redounds very highly to the credit of the present Liberal government and the previous one.

● (2030)

As far as the introduction of a political element into a speech is concerned, let me say I would never even try to compete with the hon. member for Témiscamingue (Mr. Caouette).

An hon. Member: You couldn't!

Mr. Lalonde: It is to underline our commitment, therefore, that we bring forward the present bill at this time as one facet of our attack on inflation and its effects on Canadian consumers. This is not to make false claims that the bill represents a solution to the problems of inflation. I leave the field of panaceas to the Official Opposition.

I must say, Mr. Speaker, that supporters of the party opposite remind me a great deal these days of the magic men from the travelling medicine shows, peddling the same thin sugar and water concoction as a cure for everything that ails us. Realism dictates otherwise. We are faced with extraordinary conditions caused by a situation which is world-wide, and a response on many levels is required to offset the immediate effect of food price increases while we continue to deal with the longer term problem. No amount of Tory hocus pocus will make it go away. What is required is an attack on the immediate concerns coupled with long term measures to get at the universal roots of inflation. The government has today put forward such a program.

[Translation]

The excessive increase in the cost of living results in increasingly pressing needs which are a cause of daily concern. The proof of this is the number of persons of 65 and over with incomes so low that they must claim the guaranteed income supplement; 32 per cent of our older citizens receive a partial supplement under the guaranteed income supplement and 26 per cent receive the full supplement, which means that almost 60 per cent of pensioners under the old age security plan are in receipt of a supplement. When the cost of living increases and there is no income adjustment, all those with low incomes must greatly deprive themselves, and such a situation is unfair.

This is all the more obvious when it comes to food prices. While it is true that a family budget includes a certain number of fixed expenses, food costs on the other hand vary substantially. Consequently, when people are hard up, they generally cut down on the food budget. When food prices start climbing suddenly, as is the case at present throughout the world, the impact is particularly rough. According to statistics on family expenditures in Canada, a family with four children and an income of \$10,000 spends 16 per cent of it on food. Another family of the same size but with an income of \$4,000 spends nearly 28 per cent of it on food. Evidently, an increase of 20 per cent in food costs over a period of 18 months, as we have known, hits the low-income family twice as hard as the high-income one.

Besides, Mr. Speaker, that is another reason why the Canadian government assumes 50 per cent of the costs paid by the provinces to increase social welfare benefits as compensation for the present increase in food costs.