

I am not very good at mathematics, but it would seem that in 1967 \$1 billion was about 5 per cent of the GNP, while in 1973 the expenditure on old age pensions will be about 15 per cent. So, in effect, we are spending an increase of 10 per cent of the GNP in a period of six years.

**Hon. Mr. Lalonde:** That is right. It is a very substantial increase. It is \$3 billion of the total federal budget of about \$21 billion; so you can divide it out yourself very easily: it comes out to about one out of every seven federal dollars going to the old age pensioners at the present time. Mind you, that increase is due in part to the lowering of the pension age from 70 to 65 during that period: it is not just an increase to the same number of people; we cover a much wider range. But there it is: it is the payment for senior citizens. And it is quite proper to ask the question: What are we going to do for the other groups as well?

**Senator Flynn:** Mr. Chairman, I wish to ask the minister two questions. The first is with respect to the answers he gave to Senator Benidickson. Do I interpret the minister correctly in saying that his approach to the payments to our senior citizens is that they are at this time receiving perhaps a little more than their share of the amount which should be available to needy people in Canada; and that, in fact, the government is trying to resist the pressure of all of the political parties and give them only the minimum required to stay in office?

**Hon. Mr. Lalonde:** I would certainly qualify that as a very partisan point of view.

**Senator Flynn:** Partisan question?

**Hon. Mr. Lalonde:** Or partisan question, yes.

**Senator Flynn:** But the move would be, also.

**Hon. Mr. Lalonde:** No, what I said I think stands by itself, and quite clearly. Certainly, there is no intention by the government to reduce payments to senior citizens or to suggest that what has been done has been too much. Definitely not! At the same time, if in terms of social policy you asked me whether it would be sensible to treble the payments to senior citizens in this country over the next six years without a comparable adjustment for other groups in society, I would have to say that this country, the government and Parliament would have their priorities wrong. We are asking for a very large amount of trouble, not only with provincial governments, who also have demands made on them, but also with other groups in society. In order to attain a reasonably harmonious Canadian society we must endeavour to be fair to all groups. At the present time the federal government pays senior citizen couples approximately \$400 above the poverty level, as defined by the Economic Council and as adjusted to the cost of living increases during the recent past.

We may ask: Is this sufficient? I can assure you there are some who will say no, that it should be more. At the same time, however, we must consider other circumstances in the country. In my opinion, if there is a particular sector in which the next step or an increase should be provided, it may very well be the case of the single individual. Certainly, a couple is in a much better position than a single individual at the present time to cope

with their needs. There may be a need for special consideration in this area as a step in the future.

**Senator Flynn:** I am not in disagreement with your outlook, but I am attempting to analyze the decision made at this time by means of this legislation. Do you see the possibility of a decrease in the cost of living and, consequently, the application of the reduction rule to the amount now paid? If there were a decrease in the cost of living, the pension would be lower.

**Hon. Mr. Lalonde:** This bill provides that there will be no reduction due to a decrease in the cost of living. The payments will remain at the same level until there is an increase in the cost of living sufficient to raise the payment above the last period at which there was no increase.

**Senator Flynn:** The floor is the highest amount reached at a given point?

**Hon. Mr. Lalonde:** That is right, and we wait until the cost of living returns to a higher level than it was when that particular floor was reached before making an adjustment.

**Senator Flynn:** So there is pessimism in this legislation.

**Hon. Mr. Lalonde:** On the contrary. We wish to be fair to the senior citizens, but we foresee the possibility of the cost of living decreasing. For all I know, with the price of meat moving as it is these days, you may be surprised next October.

**Senator Flynn:** If the cost of living were to decrease, the income of the government would also decrease and it would represent possibly an unfair share of the expenditures.

**The Deputy Chairman:** Do honourable senators have further questions?

**Hon. Mr. Lalonde:** Mr. Chairman, I have an answer to the first question raised by Senator Flynn, and I will endeavour to obtain the answer to his second question at a later stage.

The adjustments last April were, indeed, included in the April cheques, so you were correct. Approximately three weeks is required for the printing and issuance of the cheques in order that they may be in the hands of the pensioners on the third-last banking day. There may, however, have been cheques received last April at a later date than usual, due to delays.

**Senator Flynn:** None was received by any, to my knowledge.

**Hon. Mr. Lalonde:** Maybe they write to their members of Parliament more than to their senators!

As far as the October cheques are concerned, this would mean approximately October 7 as the deadline for citizens to receive their cheques. There was a question in connection with the net and gross figures as related to the total amount.

**Senator Flynn:** That could be supplied later.

**Hon. Mr. Lalonde:** If I do not have that before the end of the meeting, I will supply it later.