

**Senator Bonnell:** In regard to the figures that were given out by the provinces, I would like to say that I do not think these figures mean a thing. In Prince Edward Island you get your \$15, but you also get your tobacco and your clothes; you get your drugs, your hairdos, your shaving lotion; you get your razor blades and shoeshines—you get the works. In some other provinces you might get \$50, but you pay for your hairdos, your other services, your taxi service, your rental service, and the dollar bills do not mean a thing. Therefore, I do not want to leave the impression that in Prince Edward Island we would do anything to make the comfort of a senior citizen any less than it might be in the great province of Ontario.

**Mr. Cafik:** I can respond that what the senator has said is quite right. These figures are not really that related, that one could draw a quick conclusion from them that one province is doing less for senior citizens than another, simply on the basis of these figures. I appreciate his bringing that point forward.

**Senator Bonnell:** The other thing I would like to mention is that under the present legislation, as I understand it, the people who will be retiring this year for the first time and receiving a pension for the first time, will get an extra benefit over those in the past, besides the extra income, in that their Canada Pension allowance, which they will be getting this year, will not be taken into consideration until next year, so they will get an extra year's benefit over and above other senior citizens in the past.

**Mr. Cafik:** That is quite right, Mr. Chairman.

**Senator Bonnell:** There is another thing I would like to find out. Since under the unemployment insurance bill a person after 70 years of age is no longer eligible for unemployment insurance—or at 65, I do not know which it is . . .

**Mr. Cafik:** If I recall correctly, they can opt out of the labour force at 65 and it is compulsory to do so at 70.

**Senator Bonnell:** The unemployment insurance benefits are now considered income for old age security purposes and for the GIS calculation. Take the GIS calculation figures for a man who has reached age 70; he is now going to retire, he has bought stamps over the 20 or 30 years, but he cannot draw now. How much do they allow that man for income purposes under the GIS? Is the \$300 paid out and do they say, okay, he is going to get the \$300 from the retirement fund or the unemployment insurance, or whatever method is going to be worked out? How do you calculate income for the next year under employment insurance?

**Mr. Cafik:** If I understood your question correctly, senator, you want to know what happens with the lump sum payment, when you opt out of the labour force, from the Unemployment Insurance Commission, and whether it is considered as income in relationship to the amount of GIS one can draw. Is that the question?

**Senator Bonnell:** Yes. How much is it and how do you arrive at a lump sum, or does everybody get a different amount?

**Miss O'Brien:** The person who has just retired, senator, is estimating his current year's income, because last year's income

would not reflect his present status. He would have to count in that estimate of his income for the current year the amount of the lump sum he was to receive from unemployment insurance; but the next year, no longer being in receipt of unemployment insurance, he would not have to declare any.

**Senator Bonnell:** How can he figure out what his lump sum would be in that year from the unemployment insurance? Do the unemployment insurance people know in advance how much he is going to get?

**Mr. Cafik:** I haven't the facts in front of me, but the lump sum payment on opting out of the labour force is \$150, if I recall correctly.

**Senator Bonnell:** It is the same for everybody?

**Mr. Cafik:** That is my understanding.

**Senator Bonnell:** Regardless of how big or how small their stamps are?

**Mr. Cafik:** That is my understanding, but I would have to check that out. If you like, I can communicate the precise answer and confirm that, but I believe it is a \$150 lump sum payment.

**Senator Bonnell:** Thank you.

**Senator McElman:** Mr. Chairman, the witness has suggested that it would be desirable to have provincial agencies rather than have the input entirely municipal. I should like to point out that there is at least one province in which the municipalities are no longer involved. I am referring to New Brunswick. In my opinion, that is highly desirable and is a much more workable situation.

The question I am concerned with, Mr. Cafik, is whether you know if any of the provincial legislatures have indicated that they are going to pass on the increase to the recipients.

**Mr. Cafik:** I have no information as to the consequence of representations made by the minister to the provincial governments.

**Senator McElman:** But are you aware if any of the legislatures up to this point in time have made commitments?

**Mr. Cafik:** I am not aware of any commitments in respect to that.

**Senator Croll:** Mr. Chairman, Senator McElman mentioned that New Brunswick deals with it at the provincial level. I just want to point out that Prince Edward Island does too.

**Senator Smith:** The province of Nova Scotia is in the same position.

**Mr. Cafik:** I did not intend to prejudice the whole question of taking welfare out of the hands of the municipalities. We are not saying that that ought to be done. We are saying that in the overall review all of these things have to be considered so that