

Suggested Pension Payment Corrections

for Winnipeg North Centre, talked about a percentage in respect of the gross national product but he was going back about 20 years. Here we have this type of increase in a four or five year period, which hardly indicates neglect of our senior citizens on the part of this government. The increase in one year alone, between 1966 and 1967, was over \$1 billion.

These amounts represent an increase from 9.5 per cent of the Gross National Product in 1962-63 to 10.4 per cent in 1967-68, over that span of four or five years. If you prefer that I leave health expenditures out of the calculation and talk only of social welfare expenditures, you will see that there has still been a striking increase in those five years, from \$2.6 billion to \$4.1 billion. The five-year increase amounts to \$1.5 billion, or 55 per cent.

● (4:00 p.m.)

By themselves, social welfare expenditures account for 6.5 per cent of the gross national product. Old age security expenditures were a major item in these figures. In 1962-63 there were 950,000 pensioners and they received \$734 million. Five years later there were 1,366,000 pensioners and they received \$1.388 billion or 89 per cent more. During the year just ended it is estimated that \$1.58 billion was spent for old age security recipients, and \$1.76 billion is budgeted for next year. So the innovations I have enumerated in the past few minutes have amounted to over \$1 billion in improved provision for our aged.

When the 69-year olds were brought in we spent an extra \$100 million. When the 68-year olds and the guaranteed income supplement were brought in we spent another \$355 million. When the 67 year olds were brought in and pensions were escalated for the first time, the bill rose by another \$193 million. Now, with the 66-year olds in and a further escalation of benefits, we forecast a cost increase of \$180 million.

In these figures I have not included any of the costs of Canada Pension Plan retirement pensions since they will be financed from the Canadian Pension Plan fund. But we should recognize that this pension is also increasing each year. This year the maximum monthly benefit payable was \$31.88 in January and will be \$42.50 in December, which together with the \$78 old age security pension will in December make a total benefit of \$120.50 a month. By 1976 the Canada Pension Plan will be paying \$125 a month if escalation continues at 2 per cent a year, and together with

old age security will provide a monthly benefit of \$215 for each pensioner.

It may be helpful to see Canada's record in perspective by considering the situation in other countries. While the minimum monthly pension payable to every aged person in Canada is \$78, in the United States it is \$55. If the Canadian aged person has no other income he can receive \$109.20 monthly. In the United States there is no provision for him to receive more than the \$55. In Britain the minimum monthly pension for a single householder is \$56.

In comparison with the International Labour Organization standard of a pension for an aged couple equal to 45 per cent of average earnings of an ordinary worker, the situation in Canada is quite good. The old age security pension and guaranteed income supplement together provide a benefit of 50 per cent, and the Canada Pension Plan retirement pension together with old age security provide a benefit of 61 per cent of average annual earnings of \$5,000.

In the United States an aged couple can receive a maximum pension of 45.8 per cent of the maximum earnings on which they could have contributed. In France the pension is 20 per cent of previous earnings if one retires at age 60, 40 per cent if one retires at age 65, or 60 per cent if one does not retire until age 70. The rate in West Germany is 45 per cent of previous earnings if one has contributed for 30 years. In Sweden the rate is 60 per cent of previous earnings after 30 years of contributions.

Much of the present debate regarding the future of income maintenance revolves around the concepts of universality and selectivity. We have heard comment on that this afternoon, particularly from the hon. member for Winnipeg North Centre (Mr. Knowles). Because these terms have had various connotations in the past, I think too much of today's debate seems to reflect historical stereotypes of these concepts which lead to inconsistencies when applied to the contemporary situation.

I regret that such an inconsistency appears to be present in the motion of the hon. member for Winnipeg North Centre that we are debating this afternoon. While proposing that the government move in the direction of a guaranteed annual income for all Canadians, the motion urges us to abandon the income test in relation to the guaranteed income supplement. Surely this is completely inconsistent.

[Mr. Munro.]