

Old Age and Veterans' Pensions

Mr. Knowles (Winnipeg North Centre): Would the minister permit a question? Does the minister not realize that there are different definitions of a guaranteed annual income? Calling the one that he defines as guaranteed annual income the only one, does not make it so. I suggest there are different definitions and he and I happen to differ.

Mr. Munro: When I looked at the references to guaranteed annual income in the hon. member's speeches, I thought he was taking income levels into account in determining benefit structure. If he has other concepts than that approach in mind, I would be glad to hear them, but I did not hear them today. I do not imagine the hon. member is talking about any type of annual income payable on a universal approach to all Canadians irrespective of their earnings. I am sure some measure of selectivity would have to be introduced in any such scheme.

Mr. Knowles (Winnipeg North Centre): Did the minister not hear me say this afternoon that that is precisely what I favour, namely, the universal approach, but that because of the emergency situation now facing our older people I would accept an adjustment in the program we now have?

Mr. Munro: If by that the hon. member means that he would favour an increase in the guaranteed annual income supplement as divorced from any increase in the universal old age—

Mr. Knowles (Winnipeg North Centre): Read the motion.

Mr. Munro: You are talking about basic pension rights in your motion. If the hon. member is talking about immediacy, action can be taken in the guaranteed income supplement area exclusively, rather than the basic OAS, just as quickly.

● (9:30 p.m.)

Mr. Knowles (Winnipeg North Centre): I have just one more question; then I will sit down and shut up.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I knew that remark would bring applause. Does the minister not realize that the guaranteed income supplement under the Old Age Security Act is defined as 40 per cent of the basic rate? When I ask for an increase in the

basic rate, I mean two things: I mean the basic rate has to go up, and it follows that the supplement must go up accordingly.

Mr. Munro: I fully realize that, Mr. Speaker. I suppose what I am saying is that no one has to be wedded to the 40 per cent formula when dealing with the principle of the guaranteed income supplement in isolation from the OAS.

I have now dealt in a very summary fashion with the areas in which we have moved and which will have implication in the future for our senior citizens, namely, the Canada Pension Plan, the increase in benefits under the OAS, the GIS and the lowering of the age to 65. I should like to talk about another area in which we have moved. In this restricted period of time I wish to talk about the fact that we have tied an escalation feature into our old age security and guaranteed income supplement pensions. There will be a maximum in escalation of 2 per cent, in line with the cost of living. So I do not believe it can be said that when we considered all these measures we were totally ignorant of the need that is being experienced by many of our older citizens today.

What have been the results of this over-all approach? Let us look at the figures with regard to individual payments. As I mentioned, when my party came to power in 1963, the maximum federal pension was \$65 a month for those over 70. The maximum this year is over \$110 a month and available to people five years earlier at age 65. This represents an improvement of better than 70 per cent over a seven-year period, or approximately 10 per cent a year. It also represents a 70 per cent improvement over the rate of increase in the previous seven-year period from 1956 to 1963.

I believe this is an improvement that one need not be ashamed of. And these improvements do not include an individual's potential for receiving Canada Pension Plan benefits right now. If eligible, an individual can receive roughly \$60 a month in Canada Pension Plan payment while retaining a certain amount of his guaranteed income benefit and receiving, of course, the basic OAS. For example, at the February Canada Pension Plan level a person eligible for the full guaranteed income supplement could receive a basic pension of \$79.50, plus \$34.20 Canada Pension Plan, plus approximately \$10 in the form of guaranteed income supplement, for a total of \$123.40.