

Old Age Security Act

• (1530)

[English]

It has been suggested by some writers that this measure which we are proposing, Mr. Speaker, is a "paltry increase", amounting only to \$13.39 a month more than would have been paid next April in any event. It has also been criticized for "leaving OAS recipients below the poverty line." Such comments show the authors' complete misunderstanding of the way the program works. Those people who have no other source of income will get \$170 a month at the single rate or \$325 a month at the married rate; in all about 500,000 people are in this category. Another 550,000 old people are entitled to partial benefits, ranging for single people from \$169 a month down to \$101 a month, depending on the levels of their income from other sources. The remaining 750,000 old people who already have incomes above \$1,700 if they are single, or \$3,000 if they are married to other pensioners, or \$4,600 if they are married to non-pensioners, will none the less get \$100 a month Old Age Security pension on top of these sums. It is hard to understand how it is that these people are considered to be "still left below the poverty line." And it is incomprehensible how an increase of \$20 a month can be called a "paltry increase," especially when it follows on the heels of last year's \$15 a month increase.

I would like, Mr. Speaker, to remind hon. members of the important role that the Old Age Security program plays in Canada's income security system for the aged. It is the foundation on which many other plans have been built. In a sense old people in Canada have a three-tiered system of income security, with the OAS pension providing the base for all who meet the residence requirements. The middle tier is provided by the Canada Pension Plan/Quebec Pension Plan for those who have contributed to one of those plans; through them a retirement pension related to their past earnings is available for them. The third tier is the pension provided by private pension plans at one's place of work; it may be stacked on top of, or integrated with, the other two. But the foundation is the basic OAS pension; if anything were done to destroy or diminish it, the whole retirement structure would suffer as a result.

During the recent election campaign, and in discussions and statements made since that time, a number of criticisms have been directed at the OAS program. These generally were of two types. Some were directed at the actual amount of the benefits provided, while others called for a change in the basic structure of the program.

Many proposals were made for increasing the amount of the benefits provided under the plan. There were some opposition critics who suggested, or seemed to suggest, that the income-related part of it should be removed and replaced by a universal benefit payable to rich and poor alike. Instead of paying \$82.88 a month to all aged persons, rich and poor alike, and \$150 to those with no other income, it was said that all should be given \$150 a month, that we should give those who are better off the same as those who have nothing. To do this we estimate would cost about \$800 million more this year alone.

Other critics, who will recognize themselves easily, suggested that the principle of an income-related supplement was a reasonable one, but that the basic benefit payable to

[Mr. Lalonde.]

all aged persons should be raised, to recognize the rise in prices since 1967 when the supplement was first paid. To this end, it was suggested that Old Age Security should be raised to a mere \$92 or \$95 a month.

More recently, a pensioner's organization recommended a series of changes, including the payment of a \$150 a month pension for all aged persons over 65, the extension of the existing OAS pension to people at age 60, and a guaranteed annual income of \$6,000 a year for an aged couple, or \$3,000 a year for a single pensioner over 65. These proposals would cost the federal treasury several billion dollars extra each year.

I am leaving aside a few other proposals to do with benefits to be paid; they range from payments of over \$100 a month to larger amounts. Other proposals that have been made from time to time have dealt with the structure of the OAS program, the age at which pensions become payable or the frequency with which benefits are escalated.

Mr. Stanfield: Mr. Speaker, would the hon. minister permit a question? What did he propose during the election?

Mr. Lalonde: Mr. Speaker, I think the Leader of the Opposition (Mr. Stanfield) will have plenty of time to ask questions after I have made my speech. It is very nice to see him today after his absence. I am sure he will have plenty of time for his questions. Some people have suggested that a special pension should be provided for the spouses of pensioners in cases where the spouse is not yet 65.

Mr. Stanfield: I wish the minister would tell us what he proposed during the campaign.

Mr. Lalonde: Mr. Speaker, let the Leader of the Opposition be a little patient. I will deal with his proposals before long. Moreover, I have already talked about some of his proposals for paying either \$92 or \$95 a month. I hope he recognized those as his own proposals.

An hon. Member: Keep your cool.

Mr. Stanfield: I still hope the minister tells us what he proposed during the election.

Mr. Lalonde: Mr. Speaker, I am sorry, but I did not hear the Leader of the Opposition just now. I intend to continue with my speech.

Mr. Stanfield: Tell us what you said during the election campaign.

Mr. Lalonde: Mr. Speaker, I shall continue. A man retires at 65 and goes on pension, but if his wife is not yet 65, both of them may have to live on a single pension. Depending on the nature of this special pension, if it were confined to spouses aged 60 to 64 it would entail an extra outlay of from \$65 million to \$150 million next year. This proposal seems very sensible at first glance.

Mr. Benjamin: Right.

Mr. Lalonde: It raises an important question about the priorities that should be attached to various proposals for