

In 1984, a number of Hon. Members including the Hon. Member for Cape Breton-East Richmond raised the matter in the House when it became clear that one effect of the change was to reduce GIS payments for certain persons. The matter was also raised by some columnists in the press. In the debate on Bill C-40 during the second session of the last Parliament, this issue was thoroughly considered both in the House and in the standing committee.

The standing committee consideration of the question now being raised was most interesting and the basic principals underlying the debate emerged from it with some clarity. One very important point raised was with respect to the GIS program itself and another related to the Income Tax Act and its approach to the sources from which taxable income is derived. There was also raised the question of whether workers' compensation payments are viewed as replacement for income or as payment for the injury itself. Finally, the testimony of the then Minister of National Health and Welfare pointed out the question of the amount of work needed to deal with the problem, something which she admitted had not been anticipated by her or her officials. I think it is worth while to look at each of these points.

My concern in taking the time to deal with these points is that I do not want the House to rush headlong into actions which may be regretted by some Members, particularly when hasty action may actually exacerbate any problems which now exist. I also believe that many of the issues raised should quite properly be left for more careful study in a more general context. Perhaps the greatest mistake we could make at this point would be to consider just one small matter without competent examination of the principles underlying it and without consideration of its place within the policies and goals of the Government.

Because the motion deals with the Guaranteed Income Supplement, I would first like to consider that program. It is important to remember that the Guaranteed Income Supplement is a program directed to the poorest of our senior citizens, those whose income would otherwise consist solely of payments from the Old Age Security Program and possibly other small incomes. It is designed to aid those people who are not able to provide for themselves in their later years and who would otherwise be left in a very depressed state economically.

Because the Government does not want to penalize those who have small additional incomes, there is a threshold below which benefits are not reduced by added income. Above that threshold, Guaranteed Income Supplement entitlement decreases by 50 cents for every dollar of income until benefits are completely eliminated. Surely this demonstrates that the Guaranteed Income Supplement is not and never was intended to be anything other than a program directed at low-income members of our society. Even the requirement that persons in receipt of the GIS must apply each year is evidence that the program recognized that changing circumstances might raise an individual's income and so reduce the need for GIS.

Let me take a moment to point out that in the current year, the threshold below which people no longer qualify for Guar-

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anteed Income Supplement is over \$11,000 for a single person and over \$16,500 for a couple when Old Age Security payments are included. Obviously at this level, people are not well off and deserve the help that can reasonably be provided. However, there are many who are worse off like those whose incomes would otherwise be below this level. I believe that it would be more the act of a caring, responsible Government to direct our resources to those in this lower income group. It would be irresponsible to commit ourselves today to a change which would put those receiving worker's compensation benefits in a position superior to those who have no income other than Old Age Security payments and the Guaranteed Income Supplement. In all fairness, I believe that the Hon. Member has raised an issue which merits careful consideration. I believe it should be studied and, if it is found to impose undue hardship on those receiving both worker's compensation and the Guaranteed Income Supplement, then it should be amended so as to address that hardship.

● (1730)

Such a study is being undertaken at this moment. I think it would be in the best interests of all to await the results before acting. The Minister of National Health and Welfare (Mr. Epp) has commissioned an internal review of what is and is not considered income for the purposes of the Guaranteed Income Supplement. This review goes beyond the relatively narrow question being debated here today. However, it certainly will address fully the question of worker's compensation payments and their relationship with the Guaranteed Income Supplement system. This type of thorough, detailed study will allow an informed, proper decision to be made with respect to this matter—one which will take into consideration the many humanitarian, practical and policy concerns which must be addressed in any final decision. I fail to see how any action taken now, or any decision reached before the completion of this review, can possibly be fair. Is not the bottom line in any debate of this type fairness?

This debate also affects the principles which form the basic foundations of the Income Tax Act. This Act attempts to consider all income and to treat it fairly with respect to its source. The Act is certainly not perfect and improvements are always possible. All I suggest is that we be careful before we act hastily. Unless the decision is based on information which is complete, we may support a move which will reduce the equity of certain provisions in the Act, not increase it. The question, as I see it, is one of equal treatment of income, a concept which is important to the Income Tax Act. We ought not move away from that principle except for very good, deep reasons.

I know that it is urged that worker's compensation payments are different in kind from most other sources of income. Some view them exclusively as compensation for injury, in the sense that crutches attempt to compensate for an injured leg. Surely, worker's compensation is not that alone—that may not even be its main thrust.