

saying, "Easy come, easy go—gimme seven sixes". This cartoon brings out the point that the increase would be only 42 cents with the pension frozen at \$80. This is a very serious matter. It is most unfair to these people. When we consider that inflation in the last few years has increased at about 4 per cent per year, it means that \$80 six years from now, with this inflation factor built in, will only have a purchasing value of about \$60.

● (4:40 p.m.)

There are many people in this class who even with the pension plus the allowable of \$110 per month are living very close to the poverty line. This does not give them much more than an existence income. These people have paid into the fund at the rate of 4 per cent, if they have paid any income tax at all. These are the builders and the pioneers of this country who have played an important part in the development of Canada. It seems unfair that their pensions should be frozen.

I cannot help thinking of the debate on this act which took place in the House a few years ago. Along with other members of my party, I felt at that time it would have been more equitable to pay everybody a suitable and reasonable income across the board. There were great arguments both pro and con in this regard. I am broadminded enough to appreciate both sides of the argument. I still think it is discriminatory that those who have worked and saved during their lives to put something away for their retirement will not receive the supplementary benefit. This seems morally wrong. Many of these people have done without the things they wanted. This bill discourages a person from working and saving.

A person who is now eligible for the supplement is discouraged to go out and do light work because for every \$2 he earns, \$1 is deducted from the supplement. Many people like to help members of the elderly class by offering them odd jobs. Because of the provisions of this bill, elderly people will decide to sit at home on their verandas and read books, which is detrimental to their health. It is good for a person aged 65 to do light work and earn a little extra income.

Another feature of this measure to which I shall refer briefly is the cost of administration. We learned a few years ago, when we discussed this matter, that a very large part of the fund was used for administrative purposes. Perhaps we could cut the administrative staff and thereby save enough to allow an increase in pensions to \$125 or \$150 per month. The administrative costs are fantastically high. I must also add there are tremendous administrative difficulties. I find it necessary, and I am pleased to do so, to help many senior citizens in my area apply for supplementary benefits. In January I set aside a day or two to assist these people in filling out their application forms. Many people in the age group of 65 to 80 have difficulty with these forms. In many cases they do not have a member of their family to assist them. On occasions they make errors and understate their incomes, and on other occasions the department makes errors.

### *Old Age Security*

In some instances, as a result of errors made, a pensioner might find he has been overpaid. Often it is six or eight months before the overpayment is discovered. The pensioner then has to pay back a certain amount each month. This amount is deducted from his pension cheque, and because the money has been spent a real problem exists. In some cases the error was not made by the pensioner but by the department. I think it would be fair in such case that the pensioner should be liable for only half the overpayment, and the department which made the error should be liable for the other half.

● (4:50 p.m.)

These are some of the matters which have come to my attention since the supplementary payment has been in operation. When this bill is before the committee I hope the members of the committee will take a close look at some of its clauses. In clause 7 for example, the time for repayment should be specified; repayment of overpayment caused by administrative errors may bring about great hardship. This provision should be amended so that the cost of overpayment through administrative error is at least partially borne by the administration.

Clause 8 gives the governor in council power of regulation to determine the month in which an applicant or his spouse has ceased to hold office or employment, carry on business, or suffers loss or reduction of private pension income. These matters should not be made subject to regulation but should be determined by a third party—a board, administration or tribunal, but not by the governor in council. Briefly, those are clauses which I believe should be reconsidered by the members of the committee when they examine the bill.

The whole question of welfare would seem to be a hodge-podge. It has grown up like Topsy. I think it is time we had a much better system than that which exists today. I had hoped this would be the case when the minister tabled this bill, but it would appear that we are to continue in the same topsyturvy way of administering and distributing welfare. I cannot understand why the minister did not explain to the House and to the public the reason the people whose pension is to be frozen at \$80 are not to have the 2 per cent increase each year, the same as those who receive the pension plus the supplement.

This government has instituted a plan whereby the 2 per cent inflationary factor is built into the Canada Pension Plan. It is also built into some civil service pensions and the RCMP pension. It would seem that this has been the policy all along. Here, however, they penalize the senior citizens of our country by not allowing them to have this built-in escalation which in my opinion they have the same right to receive as anyone else. As I mentioned earlier, the \$80 will be worth only \$60 in about six years from now because the yearly inflation factor is 4 per cent.

Mr. Speaker, I appreciate the opportunity to make a few observations in respect of this very comprehensive and important bill dealing with our senior citizens, who