

*Old Age Security Act*

is proceeding early with the proposal to raise the guaranteed income supplement by \$35 a month.

There is no doubt that there is a real need for increased assistance to our elderly population. I would like to illustrate this fact with a few startling statistics. As many in this House may know, we have in our country approximately two million persons currently receiving the basic old age security pension. But what many may not be aware of, however, is the extent to which these old age pensioners rely on the government to provide additional income assistance through the GIS program. For example, over a half of all old age pensioners have little or no income apart from the basic pension. In December, 1979, 807,000 elderly persons were receiving a partial income supplement. Even more indicative of the vulnerability of our older population is the fact that an additional 381,000 were receiving the maximum benefit payable under the guaranteed income supplement. In other words, about 17 per cent of all pensioners rely solely on the federal government to provide them with the income they require.

The minister has indicated that we are falling short of the mark in guaranteeing our elderly population an income which is at least equal to the poverty level. I say that this is only the first step in bringing our elderly just up to the poverty level. This is only a first step and I support the legislation before us for that reason. The poverty level particularly affects single pensioners, and they are predominantly women. It is in an effort to bring these people closer to that mark—the mark of the poverty level, that they may live their later years in some semblance of dignity and independence—that we are seeking approval of Bill C-16 today.

• (2050)

Bill C-16 is not a complex piece of legislation. In general, the bill directs additional financial assistance to the low income, elderly population and, in particular, to single elderly people, who do not benefit from the combined effects of two OAS pensions and two GIS benefits.

The GIS rates, established under the Old Age Security Act, are adjusted quarterly, in accordance with the consumer price index. The maximum rate, for the quarter commencing April 1, 1980, is \$153.35 a month for a single pensioner, and \$127.51 a month each for a couple where both are pensioners. Up to these rates, the amount of GIS payable depends on the pensioners' monthly income from other sources. Bill C-16 provides that, in addition to the normal indexation made for the quarter commencing July 1, 1980, the maximum monthly GIS rates will be further increased by \$35 for a single pensioner, and \$17.50 each for a pensioner couple, or \$35 per pensioner household. This increased benefit will be subject, to the normal quarterly cost of living increases, Mr. Speaker.

The proposed amendment to increase GIS and SPA benefits will provide an additional \$35 per month for each household receiving GIS, or GIS and spouse's allowance payments. For a two pensioner couple receiving GIS, or an OAS-GIS pensioner with a spouse receiving SPA, the increase will be \$17.50 on each monthly cheque. Single recipients will receive \$35 more

each month. The larger proportional increase for unattached pensioners recognizes the fact that basic costs for one person, living alone, are proportionately greater than the expenses for two persons living together.

The Department of National Health and Welfare estimates that, as a result of this bill, an additional 45,000 pensioners and spouses will become entitled to partial GIS and SPA benefits. With the rise in the maximum GIS and SPA levels, these persons, whose other income was too high previously to qualify for GIS or SPA benefits, will now become eligible for a monthly benefit of up to \$35. As well, Mr. Speaker, OAS pensioners and spouses whose income level is too high to qualify for GIS or SPA, will not be affected by the increase.

It is important to note that this proposed increase will be in addition to the regular quarterly indexation made in accordance with changes in the consumer price index. In essence, the proposal represents an increase in the real value of the GIS and SPA benefits of all eligible recipients.

In total, there will be an increase of approximately \$345 million in the hands of low income, elderly Canadians for the balance of the 1980-81 fiscal year, and approximately \$525 million in 1981-82, the first full fiscal year for which the increase is in effect. In terms of the estimated number of elderly recipients benefiting from the increase, the figure for 1980-81 is 1,379,000, and for 1981-82, 1,443,000. The bottom line, of course, is the amount of expenditure in total that the government is allocating toward meeting the needs of senior citizens. The figures for total spending in the old age security, guaranteed income supplement and spouse's allowance programs for 1980-81 are \$7.5 billion, and for 1981-82 \$8.5 billion.

So, as you can see, Mr. Speaker, the government is directing a very considerable portion of its budget as part of a continuing commitment to the elderly. The \$35 increase in the GIS is a much needed and significant step on the road to providing more economic security for senior citizens. In view of this I am sure members opposite will be delighted to support a measure which helps assuage the vulnerability of older people living on fixed incomes.

At this point, Mr. Speaker, I would like to address my comments to future problems relating to income security for the aged. The government has already taken steps in this direction by calling for a national pension conference in the fall, but I firmly believe that we must act with the greatest dispatch in addressing this problem. At present, Canadians over 65 constitute approximately 8.7 per cent of our population. In 20 years this figure will rise to 13 per cent, and by 2031 it is estimated it will hit 20 per cent, almost three times the figure at present. As well, the ratio of Canadians aged 65 and over to those aged 20 to 65 is 15.60 per cent—that is more than six workers per pensioner. By the year 2031 this ratio will be 33.37 per cent, or less than three workers for every pensioner. So it would appear that the tax burden of the Canada Pension Plan will more than double in the next 50 years. The time to act on this problem is now, Mr. Speaker.