

Hon. Mr. Lalonde: In part. Indeed, if I had come to the conclusion in my own mind that this was a very, very short-term move, a move of a few months in the consumer price index, we would probably not have done it that way; we would probably have made an adjustment to the basic benefit. Indeed, in the light of the information that seems to be coming out of official bodies for industrial countries all over the world, I think we have to assume or act as if this inflation is to carry on for at least a while.

Senator Inman: Has the minister in mind any limit of time or amount in which these adjustments will be made—say, five or ten years?

Hon. Mr. Lalonde: I am glad you assumed, senator, that I would still be minister in five or ten years. This is like any other act of Parliament: it is permanent for as long as Parliament decides it is to remain as it is. For as long as Parliament does not change this proposed legislation, we will continue to make adjustments every quarter. I cannot imagine any government being able to make adjustments on a more frequent basis; I think it is practically not feasible.

Senator Benidickson: Mr. Minister, as I read the debates in the other place in connection with this bill, I recollect that the thrust from the opposition there was directed probably to three areas. Several members suggested that the age of entitlement should be lowered to 60. There was another basic suggestion or criticism, that the amount payable should go from \$107, say, for a single recipient on a basic rate, to \$150 or \$200 a month. Several people suggested that a spouse under age 65 should be paid a pension if the other spouse was a pensioner. I thought those were the basic criticisms of the present bill.

I have read your speeches in the past and have heard some of your speeches personally. You have always indicated, particularly with respect to the cost involved in lowering the age of entitlement, that it was your view that you must always relate the resulting increased expenditure to the overall expenditure in other fields of social benefits; that there must be some limit and some necessity to see that there was a fair distribution in this respect in old age pensions, family allowances, assistance under the Canada Assistance Act and other benefits under your administration.

I wonder if you could give us an indication of the increased cost of some of these suggestions, if accepted; and how this would affect the overall percentage of take by senior citizens in relation to the total federal income.

I noticed the other day that you answered a question in the House of Commons with respect to family allowances. The question was asked as to the percentage of federal government income directed to family allowances, I think, at the time of the inauguration of the program, and the relationship with the percentage of tax revenues or income of government; and how that would relate to a recent time, perhaps last year.

I wondered if you could indicate to us, similarly, the percentage of either your departmental or the national tax revenue that is directed now to pensions for senior citizens, compared to that percentage, say, ten years

ago or something of that kind. I will leave it to you to select the figures that are of your knowledge.

Hon. Mr. Lalonde: I will try to keep my answer reasonably short, senator, on this particular problem that you raise. In the House of Commons there were indeed three main points, and I think you have identified them properly. One was the lowering of the age to 60. Secondly, the demand or request for payments has now gone from \$150 to \$200. The New Democratic Party has just joined the Creditistes in the \$200 camp, but I expect the Creditistes to come back next time with a demand for \$250. The third point was eligibility of a spouse under the age of 65.

I have taken the view on these matters that we have to look at the allocation of resources in the field of social security, not only at the federal level but also at the provincial level. That is why we undertook a global review of our social system with the provinces last April. This review is progressing. I have already had a conference with my colleagues; I have another one coming up in October; and we are due to meet every three months during the next two years to complete a systematical review. I have made a commitment to my provincial colleagues that there would be no substantive changes in the structure of the federal social security system without previous consultation and, if possible, the development of a consensus.

Senator Benidickson: Does that include a social development plan or social payment plan that would be paid solely by the federal treasury?

Hon. Mr. Lalonde: It does, because, really, when you are proceeding to a general review like this, there are only so many tax dollars available, and if you decide to gulp a large amount suddenly on your own, this is bound to have an effect on the social security system. We cannot ignore that.

I thought—I hoped I had a similar commitment from my colleagues. I begged them to give me a commitment. Most of them did, and it would be fair to assume that all of them said that that would be the case—except that I am afraid I have to recognize that we have not been able to get, from some of them, the same amount of commitment and the same amount of co-operation that the federal government has given them.

So, as far as the lowering of the age to 60 in the case of the spouse is concerned, these are matters which we are reviewing and discussing at present with the provinces.

This could be dealt with in many ways. Obviously, it could be dealt with by strictly lowering pensions, but it can also be dealt with by the introduction either of a form of guaranteed income or adjustments under the Canada Assistance Plan program and payments at the present time. Once you have lowered the age to 60, what do you do with the people of 59 and 58 who are in a similar situation? So lowering the age to 60 is no magic answer to the real problems that people are facing.

As far as the cost of lowering the age to 60 for everybody is concerned, if you were to take the payments we have now and lower the age to 60, that is, give \$100 to every citizen between 60 and 65 and add the guaranteed income supplement—and now we are talking about \$107