

THE SENATE

Thursday, April 28, 1949

The Senate met at 3 p.m., the Speaker in the Chair.

Prayers and routine proceedings.

OLD AGE PENSIONS BILL

FIRST READING

A message was received from the House of Commons with Bill 237, an Act to amend the Old Age Pensions Act.

The bill was read the first time.

SECOND READING

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

Hon. Wishart McL. Robertson: With leave of the Senate, I move second reading of the bill now.

This bill is a short one, its purpose being, as honourable senators probably know, to raise the over-all amount of old age pensions from \$30 to \$40 a month. Honourable senators are aware of the fact that under the existing law the federal government contributes 75 per cent of the total amount paid in old age pensions, and the provinces pay the remaining 25 per cent. The present monthly payment to pensioners is \$30, of which \$22.50 is paid by the federal treasury and \$7.50 by the provinces. I am advised that the estimated cost of the increase to the federal treasury by reason of the increase proposed by this measure will be about \$25,000,000.

On a subject so familiar to honourable senators as old age pensions, I think I need say no more.

Hon. John T. Haig: Honourable members, I am all in favour of this bill, but I wish to make one or two short observations about it.

First, along with the other members of the Progressive Conservative party, both in and out of this house, I believe that this reform is long overdue. I know how urgent it is that this measure be passed, and I am not criticizing the government for presenting it. I do, however, wish to suggest that some consideration be given to the possibility of increasing the amount which old age pensioners may receive. At present the pensioner is allowed to have an income of \$600 a year from all sources, including the pension. I feel that this figure should be increased in proportion to the monthly payments. As the law stands, some pensioners will not gain anything by the higher monthly payments. At present, a house owned by a pensioner is assessed at five per cent of its value, and the sum arrived at in that way is regarded as money earned

by him, and is deducted from his allowance. For instance, if he owns a \$3,000 house his \$600 income allowance will be reduced by \$150, and instead of receiving \$480 per year by way of pension, as he otherwise would do under the increased rate, he will receive only \$450. True, some old people have sufficient income from other sources to meet their needs, but with the present high cost of living these old age pensioners would enjoy more independence if they were allowed to receive a higher total income. I would suggest that a bill be introduced at the next session of parliament to increase the total income in proportion to the increase in monthly payments.

On my second point I speak for myself, not for my party. Though I have no solution for the problem, I do not like the means test. In my experience as a lawyer I have met many deserving people who do not like to go through the examination and turmoil of that test. The C.C.F. party advocates no means test at all, but I do not go that far. I believe there should be some inquiry into an aged person's circumstances, and that a decision as to what is proper in individual cases should be made after investigation.

Thirdly, as a lawyer I know something of problems which arise on the probating of estates of old age pensioners. It sometimes happens when a pensioner dies that his widow is only sixty years of age and that the government holds a lien against his house. The province of Manitoba usually releases such liens, but it does not have to do so. Some investigation has to be made, but irrespective of what government is in power the liens are usually released.

I draw attention to these three points: first, the need for an increase in the total yearly income; second, some revision of the means test; and third, the liability of the estate of the old age pensioner to the government. I have in mind the case of a man who had been getting the old age pension and whose estate, after his death, was found to be worth \$15,000. I think the Government of Manitoba was right in insisting upon repayment of about \$2,000, the total pension money paid to him. The general opinion was that he did not know what he was doing, and that his action may not have been fraudulent.

The three matters which I have outlined are uppermost in the minds of a good many people; and I suggest that if we as senators do not examine problems of this kind we are derelict in our duty. We should be willing to assist the government of the day without feeling that thereby we are forwarding the political interests of one party or the other.

I am entirely in favour of this legislation: it is long overdue. In this connection, the government of my own province of Manitoba