

Some hon. Members: Hear, hear!

Mr. Hellyer: It is a question, Mr. Speaker, which strikes at the very principle of parliamentary control.

Some hon. Members: Hear, hear!

Mr. Hellyer: This is a matter which goes back hundreds of years in the constitutional system under which we operate. This government with its usual arrogant demeanour, during the election campaign commits itself to expenditures and then, Mr. Speaker, it spends the money without any parliamentary approval or authority whatsoever. If that is not a bona fide question of privilege affecting all members of the House I should like to know what is.

Some hon. Members: Hear, hear!

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

OLD AGE SECURITY ACT

AMENDMENTS TO INCREASE BASIC PENSION AND TO CLARIFY BASE YEAR IN ESCALATION FORMULA

Hon. Marc Lalonde (Minister of National Health and Welfare) moved that Bill C-147, to amend the Old Age Security Act be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, the bill that is now before the House for second reading proposes the largest single increase in the basic old age security pension that has ever been made since the inception of this particular program over 20 years ago.

Some hon. Members: Hear, hear!

Mr. Lalonde: I feel all the more privileged that the very first bill I have the honour to propose for the consideration of parliament is one which aims at substantially improving the economic condition of those 1.8 million senior citizens to whom Canada owes so much for making it what it is today.

Some hon. Members: Hear, hear!

Mr. Lalonde: I, for one, am thinking of my 86 year old mother and my 81 year old father who all their lives worked extremely hard for their family's livelihood on a farm in Quebec and who, like all those of their time, gave everything they had for the raising and education of their children. In their humble way, they made Canada a country in which one is proud to live.

Some hon. Members: Hear, hear!

25789—41½

Old Age Security Act

[Translation]

Mr. Lalonde: Consequently, it is a great honour for me, Mr. Speaker, to move that Bill C-147 be read a second time. With this measure, a Liberal government shows once more its deep concern for the plight of aged persons in Canada. For the eighth time since 1950, a Liberal Minister of National Health and Welfare has proposed an improvement in the benefits paid to our older people. Since 1966, the total amount set aside by Liberal governments for old age security has increased from 1 billion to 2.9 billion—almost a threefold increase in less than seven years.

[English]

In this bill we are proposing to raise the basic old age security pension to \$100 a month for all pensioners effective April 1, 1973. Including the cost of living adjustment that was provided for in last year's budget, this will mean an increase of \$17.12 a month or \$205 a year, an increase of over 20 per cent for every old age recipient in this country. Once more this represents the largest single increase in the pension for all old persons that has ever been made in the history of the old age security program.

In 1957 the pension was increased by \$15 in two stages by two different governments. In 1962, it was raised by \$10, in 1963 it was raised again by \$10 and then 1967 the \$30 guaranteed income supplement was added for those people with no other income. This supplement was raised by \$21.39 in April, 1971 and by \$12.12 in January, 1972. The increase we are now proposing, together with the normal escalation of the Guaranteed Income Supplement, will mean a total increase of \$20.14 a month for those aged persons who have no other source of income.

By this measure we will be offering a guaranteed annual income to persons over 65 who can meet the residency requirement of \$2,040 if they are single and \$3,895 for a married couple.

[Translation]

In addition to these measures on behalf of aged persons, a number of other steps have been taken in the income tax field to improve the lot of old age pensioners. Before the adoption of the recent tax reform measures, about 1,350,000 pensioners were required to pay income tax, including many of those in receipt of the Guaranteed Income Supplement. When the Guaranteed Income Supplement was defined as non-taxable income about half a million pensioners were removed from the tax rolls. The increase in basic personal tax exemptions from \$1,000 to \$1,500 removed another 130,000 pensioners from the rolls, and the decision to raise the special exemption for aged persons from \$500 to \$650 and to make it available at age 65 instead of age 70 meant that another 150,000 pensioners became exempt from income tax. It is expected that raising the special exemption from \$650 to \$1,000, as proposed in the budget speech of May 1972 will remove an extra 75,000 pensioners from the tax rolls. This will mean that only about half a million pensioners—compared with 1,350,000—will be subject to income tax as a result of these tax modifications. When coupled with the cumulative benefit increases that have been provided, it will be readily seen, Mr. Speaker, that this government has considerably improved the economic condition of persons 65 years of age and over in the course of the last two years.