

or who are entitled to the supplementary payment. The selectivity principle will mean an increase in administrative processing. Has the government estimated the cost of administering this program? I wager that government administration and bureaucracy which will be necessary under this program, if it follows the present pattern, will involve a cost greater than giving the 2 per cent escalation to senior citizens and including the universality principle at least in respect of the basic pension which is set at \$80. This selectivity principle means that money is to be taken from some pensioners and given to others. Is this the type of war on poverty the government says it is carrying on? I urge someone over there to consider this question before the final vote is taken.

We might go back to "The Christmas Carol", when Tiny Tim reached the heart of Scrooge. We may not have a Tiny Tim here, but we hope that somehow the spirit that moved Scrooge will move the hearts of whoever devised this legislation, because it is not the type of legislation with which we should be concerned at this time. There are one or two points I should like to make in closing.

Mr. Deputy Speaker: Order. The hon. member has said he is closing his remarks. I must advise the hon. member that his time has expired. He may continue only with unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Thompson: I thank the House. First, the cost of living increase should be attached to the actual cost of living, instead of being fixed at 2 per cent. However, at least that which has been the practice should continue both in respect of the supplement and the basic pension. Second, the deduction allowed in respect of income tax ought to be increased. At the very least it should be increased to the amount the Economic Council has said is the basic income one requires for existence. I believe the amount is \$1,920 a year. It would be much better if it were increased, for the old age pensioner, to the poverty line of \$3,000. No one could have very much objection to that.

It is wrong to penalize people over age 65 who would like to supplement their income a little, by taking it away in taxes. I will give an example from my home city. A man who is over 70 years of age, who a year ago did not pay any income tax because his income was not up to that level, overlooked the fact that his wife had reached pensionable age. He could not afford to have an accountant make out his income tax form. He did this himself, but forgot that his wife had received pension and so did not properly calculate the amount that he and his wife received as income. Therefore, he did not calculate any tax payment as he had not paid tax in previous years. He was later assessed for this in the amount of \$157.17. When the first assessments notice arrived, he was amazed that he was being taxed. As he was not accustomed to paying tax, he neglected to do anything about it. He received another notice stating that if a payment was not made immediately, legal action would be taken to collect the amount owing.

Old Age Security Act

● (8:50 p.m.)

This poor old man panicked. He did not read all the fine print on the form. He thought he might go to jail. He borrowed the money and paid the tax, because he knew that if his pension was reduced this year because of the unpaid tax he just would not be able to live on what he received. The tragedy of it all is that he does not have the money to pay back what he borrowed. I am sure this situation is duplicated tens of thousands of times across Canada. To tax our senior citizens at the present levels is a disgrace. Surely, the income tax deduction for people receiving old age assistance should be raised, so that if they have a little money of their own they may raise their standard of living at least to what the Economic Council has said is the poverty line.

At this last minute of the debate on this legislation I hope the spirit of Christmas may prevail in the hardened heart of the Scrooge responsible for the drafting of this legislation, so that the amendments put forward will be accepted and we may go home with the satisfaction of knowing that we have made this Christmas a little better for the most needy and worthy people in our country.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am honoured at being given this opportunity of speaking on Bill C-202 which provides for an increase in old age pensions. It would be rather more appropriate to use the word "decrease" for this bill, like the hon. member for Winnipeg North Centre (Mr. Knowles) has said, is a bad bill. Indeed, it does not take into account any of the present economic conditions which border on general chaos and for which nothing but ad hoc solutions are resorted to, the ineffectiveness of which is obvious. With this kind of action, the disease gets worse since, in any case, people are sinking deeper and deeper into misery.

How is it that we have reached a point where a host of aged people, and even young people, who are not even able any more to find what they need in our fair Canada? They are not even able any more to find a decent place to live in, not able to have their three meals a day guaranteed in a country swarming with resources.

So, there is certainly something the matter, and since our aged people are reduced to begging, as we can see now, our economic system must be reformed from its very bases. No one in this House, however, dares apply the remedies needed to rebalance our economy so as to enable every individual to benefit from progress and science.

Canadians are deprived of necessities. Many live in alarming conditions, and this is why we are trying to increase old age security pensions. The government is trying to find money where there is none, to take money from those who already have not enough in order to give it to others, in an effort to rebalance our economy a little. This unbalance is ever increasing and so is discontent throughout our fair Canada.

Here we are again discussing problems pertaining to elderly citizens, within an over-all national economy