

Suggested Pension Payment Corrections

motion. The hon. member for York North (Mr. Danson), who has just resumed his seat, is also apparently, at least to a degree, in favour of the principle behind the motion. We on this side of the house hope he will go to his caucus and try to convince the members who sit on the government side of the house that they should do something about this very serious and pressing problem.

I refer, of course, to the problem facing many of our senior citizens today, many of whom are trying to exist on an old age security pension that is very much less than sufficient to allow them to maintain a reasonable standard of living. I agree with the members who have advocated that our old age pensions should not be tied to the cost of living, though this is not necessarily the criterion by which the pension should be judged. I take very serious exception to the fact that our old age pensioners who are in receipt, perhaps, of \$108, \$106 or \$105 a month, with wives who receive the same, are classed for income tax purposes as single people.

For example, supposing these pensioners have no income other than their pension. In many cases they fall into a category that puts their income over \$1,500, and consequently they have to file an income tax return as a single person. This is a real hardship because in many cases such people have very little income in excess of their pension. There may be a little interest coming in that brings their taxable earnings above the \$1,500 ceiling, and this makes them liable for payment of tax.

I suggest that some relief should be given to such a couple. A regulation could be passed under which the old age pension received would not be counted as taxable income unless the over-all income exceeded a certain amount. I can assure the house, though I do not think the house needs any assurance, that in many cases this works a very definite hardship on our old age security recipients.

I am happy to say that the government in my province realized the \$75 basic pension was not enough. As a result the Conservative government of Prince Edward Island, and let it be said to their credit, the Liberal government that followed them, passed an order in council which guaranteed old age pensioners above the age of 68 a basic old age pension of \$100 a month. For example, if a pensioner's regular old age security pension plus the supplement amounted, say, to only \$78, the province pays the additional \$22. No person, therefore over the age of 68 resident in my

[Mr. McQuaid.]

province will receive a pension of less than \$100 a month.

Even that is not sufficient. We all know how the cost of living has increased during the last few years. We know how much it has increased since the basic amount of \$75 a month was fixed by the government. Surely, the government should take some notice of this and grant relief to people who, in many cases, are struggling very hard but are not able to make ends meet on the \$107 or \$108 a month they are now receiving.

I also suggest that, while we are on this subject of taxation, some consideration should be given by the government immediately to revising the archaic and outmoded exemptions allowed taxpayers. The amount of \$1,000 exemption for a single man today is absolutely ridiculous, as is the exemption of \$2,000 for a married couple. These were the exemptions in 1919. We all know how much the dollar is worth today compared with what it was worth in 1919. We all know how much more it costs to raise and educate a family today compared to 1919. As I say, these exemptions are outdated and outmoded. In all fairness to the people of Canada, the government should give some consideration to increasing them.

I realize it will probably mean a loss of revenue if these exemptions are raised, but I suggest to the government that this loss of revenue could very well be overcome by eliminating waste and extravagance in many departments of government. This is where a great deal of our taxpayers' money today is swallowed up. Government departments are not properly supervising the spending of money. On all sides you can see waste of government money.

I am happy to go along with the suggestion of the hon. member for Winnipeg North Centre that some consideration must be given to those in receipt of war veterans allowance. They are very definitely worthy of consideration. I think it is high time that something was done to correct the situation. Our pensioners are trying to get along with inadequate incomes. It is absolutely unfair to our war veterans, who have served their country well, that we confine them to receiving small pensions. Often our veterans have to fight with the authorities to receive even the pitiful war veterans allowances that are granted. I submit that something should be done at once to correct this situation. For many years our veterans have not been getting a square deal from the government, and any government correcting the present inequitable situation