

Last year the government collected over \$600 million from the 3 per cent sales tax, and also collected approximately \$125 million from corporation tax to cover pension payments.

This was a fund into which trusting people paid expecting, if they lived, to get it back in the sunset years when they were unable to work any longer. Each person paying into this fund was taxed according to his income, up to a total of \$240 per year. If a person earned more, he paid more. Those on low incomes paid only a little, and if people had no taxable income they did not pay anything, but all people were to receive the same amount. Now, the government has reversed the rules of the game, and those who have paid the most will find themselves with the least. Many people will find themselves with just a little more than they should have in order to qualify. They may own a home in a neighbourhood to which they have become accustomed and not wish to leave. But their expenses will have increased. These people will sit there, wondering if they should not have given away a little bit more in order to qualify.

Inflation has eroded their dollars. Inflation is abrasive to these citizens. There are around 600,000 of them. These people do not want charity. They paid into this fund, thinking they would get their money back from it. They only want what is their right. Now, they look at this fund which to date has piled up a surplus of \$735 million, and they see this magnanimous government freezing their pensions at \$80 per month. Can you blame them if they are angry when they look at the 42 cents that the government offers them? But the government says, "That is all there will be. There is no more for you." Some Santa Claus, Mr. Speaker! The amount of inflation will be deducted from the pension each year, and at the same rate as erosion has taken place over the past three years. Mr. Speaker, that is nothing but a tax on the aged, and I will prove to you that it is a tax.

• (4:20 p.m.)

If inflation continues at the pace set during the past three years, the resultant loss to a pensioner will be \$4 in the first year, \$3.80 in the second year and \$3.68 in the third year, making a total of \$11.68. Thus, inflation will have taken away from the old people of Canada over \$10 of their old age pension. Those are the facts and this government must face up to them. Do the Canadian people want to see these senior citizens treated in this way? Nearly 600,000 of these people have paid into this fund and they have a right to receive benefits from it.

By next year there will be more than 1,700,000 people over the age of 65. Of these 1.1 million will have incomes of less than \$1,500 for a single person or less than \$3,000 for a married couple—pretty slim going. If there were no income security program, 72 per cent of single people over the age of 65, and there are 580,000 of them between 65 and 70, would have incomes of less than \$1,500.

Let us look at this another way. Of those people aged 65 to 70 years, just over one-third pay income tax and some of those pay it because they receive the guaranteed income supplement. Some also pay OHSIP. Some own

Old Age Security Act

their own homes and receive the guaranteed income supplement; this year they receive a supplementary tax assistance of \$50. This is a step in the right direction initiated by the Ontario provincial government. It is reasonable to assume that less than one in four have taxable incomes. Of the older married couples, 55 per cent or 300,000 of them have incomes of less than \$3,000. Poverty is a fact of life among old age pensioners and this society must take the responsibility for inflation and make the necessary corrections.

Of single people 65 years of age and over, 70 per cent will have incomes of less than \$1,320 and only 30 per cent will have incomes of more than \$1,320. These people will pay income tax. Therefore, they will receive no supplement whatsoever but, in effect, they are also taxed by inflation each and every year.

One-third of married couples have incomes of under \$1,800; half have incomes under \$2,300 and two-thirds have incomes under \$4,000. Half of those with incomes above \$2,280 will not qualify for the supplement. The great bulk of the 600,000 find that the government is not only freezing their income from Old Age Security but is eroding it each year. I want to bring to the attention of the Minister of National Health and Welfare that the government is really taxing these people, and surely this is not accepted Liberal policy. Many of the 600,000 will be caught cold on fixed pensions which they rightly felt would be sufficient to keep them. Some will be able to exhaust their savings and qualify. Others will put their assets into non-revenue producing investments and qualify. This is the type of chicanery the government is forcing upon senior citizens in order that they may live in this world of inflation. I challenge the minister to tell me that is not correct.

But the inequalities, Mr. Speaker! Some will own a modest little home and receive a tax subsidy from the provincial government while others will have to rent an apartment at \$100 per month. Is that equity? Another gimmick is that if the house were sold and the money invested, the return would be \$1,200 or \$1,500 but they would have to pay this or more, for an apartment. Before the house was sold, the person qualified but afterwards did not. These are the pitfalls in the act. Many of these people would carry on in their homes longer, but illness increases with age and is tremendously expensive. I wonder if the minister has ever thought of that, and if he has drawn it to the attention of his cabinet colleagues. There is four or five times the amount of sickness after age 65 and this results in a need for drugs, and other expenses. It is estimated that sickness increases by five times from age 40 to 70. In many cases, chronic illness requires special drugs and it is not uncommon for drug care to cost \$25 and more per person. The government brought in a national medicare scheme and are proud of it, but they do nothing about drug care. For the last year, I have been after the minister to do something for these people. I will say that he has never turned me down, he always promises. It is like that old song "Oh, Promise Me".

Senior citizens often have to save money on necessities, such as food, in order to buy drugs to keep going.