

Old Age Security Act

introduced a series of new steps which further strengthened the income floor for our senior citizens; a \$30 a month supplement was added to basic old age security, which was available to pensioners lacking other resources to provide for their retirement income. That brought the pension at that time, 1966, of those receiving old age security and the guaranteed income supplement up to \$105 a month.

That legislation established the guaranteed income principle. Partial benefits were still available, even though many of our aged were receiving earnings, up to a certain level. Under that legislation there was no dollar for dollar deduction; there was no complete cut-off the minute other resources were available. Again in Liberal government legislation there was a new first. A concept of pension escalation was established to take into account the cost of living increase.

Mr. Orlikow: Why just 2 per cent?

Mr. Munro: The level of 2 per cent was set. It should be kept in mind that at no previous time was there any built-in escalation available. It should also be kept in mind that the 2 per cent level was set after a comparison of price increases for the previous five years, indeed the previous ten years, which indicated that this was indeed adequate. But we did say at that time that if at some future date the ceiling proved to be inadequate, then that ceiling could be adjusted. We are delivering on that promise today.

A third and important feature of Liberal government legislation in 1965 was that it involved the lowering of the age of eligibility on a staged basis from 70 to 65 years of age. This eliminated the inadequate and under-utilized old age assistance program with its rather degrading means test. As of today, the old age security and guaranteed income supplement provide a floor for all people 65 years of age and over on the basis of a simple and non-degrading incomes test, a test which has more than proved its validity over the years since its inauguration.

I have referred to significant moves by the Liberal government in raising the pension to \$75 a month in 1963 and in raising the basic floor of pensions up to \$105 a month in 1966. I should like to move on to 1970, four years later, to the next plank in the improvement of pension benefits. In December of 1970, following the white paper on income security we established the basic old age security pension at \$80 with a supplement of up to \$55 a month in the case of a single person, for a maximum of \$135 a month. In the case of a married couple the supplement was \$95 a month. This, together with the combined old age security pension of \$160, adds up to \$255 a month.

Moreover, all those eligible for full or partial supplementation maintained their eligibility for the cost of living escalation of the full amount of their pension, both the basic old age security benefit and the guaranteed income supplement. So again in 1970 we had a very significant increase in income support afforded to our senior citizens.

Mr. Knowles (Winnipeg North Centre): Tell us about taking the escalation off the basic \$80.

[Mr. Munro.]

Mr. Munro: Today we are once more moving into a major area of improvement of benefits for our senior citizens. We are now raising the maximum guaranteed income supplement for a single person to \$150 a month from the previous \$135, and we are raising the pensions of married senior citizens to \$285 a month, in addition to which we are providing full escalation of both old age security and the guaranteed income supplement. We are removing the 2 per cent limitation and keeping the escalator in line with the cost of living increase. I think all members will agree that this very substantial absolute amount in pension, together with bringing for the first time in Canadian history the cost of living escalation in line with the cost of living index, is a very great step indeed in the support of our senior citizens.

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Let us review the situation, then. In 1966 the pension stood at \$105 per month for a single person. Today, in 1972, it is \$150 a month. In 1966, for a married couple, the pension was \$210 a month and today it is \$285 a month. That is a very significant increase within a six-year period. In less than a decade of Liberal administration the income floor has risen from \$65 a month to \$150 a month, or \$95 a month additional income which is an increase of almost 150 per cent. In addition, this assistance is available five years earlier than it used to be and now offers complete protection against increases in the cost of living.

I do not believe, having examined the legislation of just about all the nations in the free world, there is any country which has provided for its senior citizens as adequately as Canada under this administration. We can take justifiable pride in the fact that we now have levels approaching adequacy for our senior citizens.

That is not the only area, in terms of our senior citizens, into which we have moved in the past decade. In terms of income supplement this is only one area. As a matter of fact, as many of us know, the government originally conceived the income supplement as a plan transitional to the full implementation of one of the most important pieces of legislation brought in by any Canadian government, the Canada Pension Plan. This was another major thrust of the government during this decade.

An hon. Member: How about drugs?

Mr. Munro: I will get to drugs in a moment.

Mr. Knowles (Winnipeg North Centre): You will need them.

Mr. Munro: The Canada Pension Plan will be in full operation in 1976, paying out full benefit levels. This, of course, not only includes retirement pensions but also disability pensions and pensions for widows and orphans. I think it is important to note that the Liberal government felt the welfare of our citizens in their retirement years to be so important that it instituted a plan which will take only ten years to reach full maturity. Most comparable plans take a lot longer to reach full maturity.

The Canada Pension Plan guarantees for the first time that pension benefits will be available to all Canadian workers, over and above the old age security payment,