

Old Age Security Act

time they get their cheques in April they will be saying, "Some millenium".

Mr. Gilbert: Forty-two cents worth.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I cannot press too strongly upon the minister the disappointment I feel over this legislation, coming as it does from a Liberal party which was the first to bring in the principle of universality of payment and the principle of escalating pensions. What we should have before us instead of this bad bill is a liberal bill, one that would go back to the principle of 1951 and provide an increase in the old age security pension to \$150 a month payable to all without any means or income test. I say again, reluctantly but realistically, that if the government is not prepared to go that far, at least it should bring in \$100 a month as the basic pension and \$50 a month as the guaranteed income supplement, making a total of \$150.

Mr. Speaker, may I take the few minutes I have left to comment on some of the details in the bill to which the minister has referred. Some of them are welcome and important but some are not outstanding. I do not quite know why the change is being made whereby a person who does not have the necessary last ten years of residence before age 65 is required to substitute previous years to the extent of three times the shortage since age 18 rather than twice the shortage since birth. It seems to me that the restrictions on the pension are tight enough already without making them tighter. However, I have to admit that offhand I do not know of any cases that will be adversely affected by this, though I am sure there will be some. Any tightening of the regulations has that result.

I note the removal of the year 1910 for the act, so that this guaranteed income supplement becomes not a temporary thing geared to the Canada Pension Plan as it was when it was introduced in 1966, but a permanent piece of legislation. I suppose if we are going to operate this way, then that date should be removed but what I do not like about it is that it adds to the permanence of this two level arrangement, universal security on the one hand and the means test supplement on the other. I welcome the fact that some anomalies have been corrected, particularly cases where people have had their income reduced during a year for reasons other than retirement—such as a widow losing a pension. In fact, such people have sometimes had to wait two years before getting an adjustment. As I read the bill that will be corrected, though I am not sure it will be completely corrected. I believe that could happen in the early part of the fiscal year and the adjustment not be made until the next fiscal year. What then about the current fiscal year? When other income is cut off in the middle of a fiscal year the increase is needed right then.

The change from payment on a calendar year basis to a fiscal year basis seems to make administrative sense and I do not quarrel with that. However, I do quarrel, as did the Leader of the Opposition (Mr. Stanfield), with the comment made by the minister about the 2 per cent

ceiling. I know, Mr. Speaker, that we have to refer to each other here by our constituencies or titles but I feel like saying, "John, how could you? How could you stand up and tell us that we should leave the 2 per cent ceiling there?" I will come back to order, Mr. Speaker, and ask the minister how he could leave the 2 per cent ceiling there because the cost of living is not expected to rise much more than that in the years ahead.

An hon. Member: No—he said this year.

Mr. Knowles (Winnipeg North Centre): If this is true, then we do not need any ceiling. In any case, I believe most members feel that the ceiling on the amounts by which pensions can be escalated should be removed altogether.

● (4:50 p.m.)

The minister made some reference to removing the discrimination against the spouse who is below 65 years of age. His remarks sounded enticing, and it looked as if something interesting were coming, as if we were going to do something for the spouse who is under 65. Apparently all that he or she can do is supply a current estimate of his or her income, for the grand total. There seems to be nothing which will deal with the real problem, namely, the difficulty that two people have in getting along on one income when one is over 65 and the other is under 65. I will not at present try to work out a formula, but it seems to me that when the breadwinner, if one can still use that phrase in this modern age, is retired and on a pension, the pension he gets ought to be sufficient for himself and his spouse, no matter what the age of his spouse might be.

The minister said that a number of anomalies have been straightened out. That is true. Some of the improvements are important and welcome. I suppose the one that I should now like to refer to is one that he will tell me is out of his field and that I should wait for the speech which is to be made at eight o'clock tomorrow night by the Minister of Finance. I will wait, and we will discuss this matter and this bill when we get it to the Standing Committee on Health, Welfare and Social Affairs. I believe, very strongly, that we should take a special look at the income tax position of pensioners, especially when they are on the guaranteed income supplement. I will not quarrel when the minister says that I am so strongly in favour of the universal approach that I do not have the right to talk about correcting the guaranteed income supplement. Nevertheless, I must deal with what is before us.

I still think it is iniquitous in the extreme in legislation known as the guaranteed income supplement, the purpose of which is to bring pensioners up to a certain level, to give pensioners that supplement with one hand and to take it away by taxation with the other hand.

Mr. Stanfield: The Lord giveth and the Lord taketh away.

[Mr. Knowles (Winnipeg North Centre).]