

Old Age Security Act

and suffering from lack of leadership. It has failed in its ability to achieve humanitarian ends, and the public capacity to finance it in its present form is in question. The welfare system has failed for another reason; that is because it was considered a supplement to the economic system to provide for marginal people. It was never designed to supply basic needs for a large number of Canadians. I have been quoted as saying that the welfare system is a mess. That was some months ago, and now on reconsideration I think it is an impossible mess! It is too late for reform—it is beyond reform. It is too late to apply poultices or bandages or even to attempt to modify it. It is useless to try to make changes in the system because of citizen hostility and recipient anger. Its situation is now such that efforts to change it, even if such efforts should result in its betterment, are no longer possible and just would not be believed. It has infected generations of Canadians and plagues our society.

Bill C-202 does nothing more than perpetuate a system which is recognized to be wrong. And what is even worse, it takes a retrograde, backward step in eliminating the universality approach as far as our senior citizens are concerned and substitutes the selectivity approach which will further degrade people at the senior citizen level who should have our respect and to whom we certainly have responsibility. It has long been my political philosophy, as a student of political policy and science, that we have a special responsibility to our senior citizens and that each of us shares that responsibility individually and collectively because when we were young, they looked after us.

In the same way we have a very special responsibility to the youth of our nation, because when we reach the senior citizen stage they will be taking care of us. We are failing in our responsibility because the provisions of this bill are such that we are moving backward instead of forward. We are refusing to recognize what is the fact and reality before us. It is a tragedy that we do not take a more positive viewpoint. The National Council of Welfare feels strongly that the provisions of income support by way of needs-tested public assistance programs is inherently degrading, stigmatizing and destructive of self-respect, having a debilitating effect upon the recipient and upon the children of the recipient families, in this case upon our senior citizens. Can we not understand the logic and the truth of a statement such as this? Senator Croll went on to say:

I think we ought to be able to scrap the system completely. We could actually repeal every one of our social measures, with the exception of the Canada Assistance Act, the Canada Pension Plan and the unemployment insurance plan, and meet every requirement under the basic definition of "need" in the Canada Assistance Act, modifying it to some slight extent so it would all fit under an umbrella rather than as now under a tent with 200 or so measures.

• (8:40 p.m.)

Another paradox about this legislation is that we are dealing with it at a time when we have in our hands and have been studying with great interest the recent white paper on income security for Canadians. This legislation does implement some of the recommendations in the white paper so far as our senior citizens are concerned, but it completely rejects the basic concept of the white paper. It jumps the gun, so to speak, and brings in a type of legislation that negates or rejects the basic principle involved in the white paper on income security.

[Mr. Thompson.]

To return specifically to the amendments about which we are concerned tonight, we find that a single person is pegged, on the guaranteed income principle, over and above the old age assistance which is \$80 a month, to an additional \$55 a month which is available to those in need as supplementary income. Suppose such a person has no other income and is eligible as a single person for the \$55 in addition to the \$80: he would receive \$135. Last week I met with a group of senior citizens in my home city. I asked them if it was possible for anyone to live on an income of \$135 a month. Various persons at this meeting gave me statistics on their cost of living. With the inflationary costs we have today, it is impossible for a single person to maintain a respectable standard of living, especially if he must supply his own living accommodation.

As has already been said tonight, it is not necessary to take the word of the senior citizens. What does the Economic Council of Canada say? It states that a person needs at least \$1,900 a year to barely exist. This was in 1969. The Economic Council went on to say that \$3,000 a year was the poverty line. Here we are offering \$1,620 to these people, knowing very well that it does not even come up to the existence level. On top of that, to add insult to injury we make that level of income subject to income tax. In other words, the senior citizen will not even receive \$1,620; we will take some of it back.

We go still further and deny what has been a niggardly increase in respect of the cost of living. We deny these people the 2 per cent cost of living increase both in respect of the supplement and the basic pension. We know that the 2 per cent figure represents less than half the actual increase in the cost of living, but for some reason we are so poverty-stricken in our own attitude toward the needs of our senior citizens that we take away the 2 per cent and besides that make their income subject to income tax.

For these reasons this bill does not make sense. Not only is it bad legislation but it is completely unjustified and unwarranted in so far as our responsibility is concerned. By taking away this 2 per cent in respect of the cost of living we are placing an additional burden on old age pensioners, because when the cost of living escalates, as it will, through inflation—which the government has said, and which it is generally recognized increases year by year—the \$80 will have less purchasing power each year because it is pegged in this legislation. It would seem that whoever thought this legislation through must have been completely ignorant of the facts. The government in nationalizing leaving the universality aspect and replacing it with the process of selectivity really has neither accepted nor rejected either principle. It seems to me the government should opt for one or the other and not short-circuit on both, because that will be the effect of the legislation.

An appeal procedure should be introduced as well. The ceiling on earned income should be raised to \$3 or \$4 for each dollar deduction of allocation. Surely the normal \$1,100 tax deduction is completely unjustified in dealing with senior citizens who are receiving old age assistance