

*Old Age Security*

October? I can understand the time sequences that were chosen for the regular quarterly escalation. In other words, if a quarter starts in January, you have to pick a period as recent as possible, so the government picked a period that ended two months before that. However, on what basis was the decision made to pick a particular 10 month period compared with another 10 month period? If the minister tells me they did some experimenting and calculating and found that that comparison gives the old age pensioners more than some others, I will be quite happy. However, if that calculation does not give them the best possible increase, why did they not pick one that would have done that?

**Mr. Lalonde:** Mr. Chairman, I might now answer the question raised by the hon. member for Winnipeg North Centre. With regard to the last question he raised, these two particular 10 month periods were chosen in order to make the catching up effective.

The hon. member will remember we amended the Old Age Security Act as of last April. We made an increase which included the adjustment in the cost of living of the previous year and also included an increase in real terms in old age security payments. That part of the increase made in April represented the adjustment in the consumer price index.

**Mr. Knowles (Winnipeg North Centre):** Roughly three dollars.

**Mr. Lalonde:** That is correct. That was based on the act as it stands at the present time. The act now provides for an annual escalation every April for the year ending the previous October. At the present time there is a six month time lag in the adjustment of the consumer price index. Last April we brought the CPI component of the total increase up to the previous September 30.

We are now catching up from last October to the most recent date possible, July 31. That is a 10 month period. We selected that particular period to ensure there would be no loss to senior citizens in the adjustment. We had to refer that 10 month period, October to July, to the previous 10 month period which dated from December 1971 to September 1972. That is the only reason we picked that particular 10 month period. The existing act explains the catching up.

With regard to the other worthwhile points raised by the hon. member, for a while I was wondering whether he had been looking over my shoulder or that of my parliamentary secretary. The suggested drafting he proposed was extremely close to what I had written in the margin for my benefit to show the meaning of the particular clauses which the hon. member read. Having been a practising lawyer for a few years and having tried my hand at drafting certain pieces of legislation, I must say I quickly abandoned the profession of drafting legislation, immediately recognizing my incompetence in that field.

I am not going to deal with every suggestion made by the hon. member. I have taken note of them and they will certainly be discussed with those drafting these particular bills. I am sure the hon. member understands it would not be appropriate for me to say all his points will be included in the drafting. This would require a complete redrafting of the bill since it has been drafted on the basis of particu-

lar quarters, as spelled out in the bill. I am sure the hon. member's points will also be noted by the Minister of Justice and those in the Department of Justice who are responsible for drafting legislation for the government.

There is a long standing tradition in the federal government as to the particular school of drafting. I have always found this difficult to follow. It seems that federal bills are drafted in a much more complex way than provincial bills. However, being a lawyer, I find it difficult to argue with other lawyers and win my point. I will pass on the hon. member's comments.

**Mr. Oberle:** Mr. Chairman, I wish to direct a question to the minister. It arises out of my concern for those senior citizens who live in provinces such as British Columbia which can be classified as "have" provinces.

The Premier of British Columbia is rapidly emerging as one of Canada's most ambitious entrepreneurs. He is implementing all kinds of social services that are not that much in tune with the rest of the country. I worry about the senior citizens who have to live in these "have" provinces on an income based on federal contributions that exist throughout the land. British Columbia is so wealthy that the Premier and the government of that province found it necessary to introduce social services in addition to those in which the federal government shares.

Have the minister and the department given any thought to making it mandatory for these provinces to pass on these increases as well as the additional payments which the provinces are making, or will the provinces be able to take advantage of the additional contributions from the federal government and simply absorb them in their own payments?

**Mr. Lalonde:** Mr. Chairman, there is certainly no intention on our part to make any such mandatory requirements. Obviously Parliament is free to pass whatever law it wishes to increase social benefits to the citizens for whom it provides benefits. Similarly, the provinces are free to add to those benefits if they wish. The fact that the federal Parliament decides to increase a particular benefit does not take away freedom of action from any particular province.

I was happy to note that, at this time at least, the government of British Columbia has decided not to take away, if I may use that expression, the increase the federal government has given to the senior citizens. I understood the Premier of British Columbia to say they will pass on to the senior citizens the increase which this particular piece of legislation provides, contrary to what happened last April. I am sure that made quite a few senior citizens in British Columbia most unhappy. I must say my feelings at that time were very much with the senior citizens of British Columbia.

● (2100)

**Mr. Oberle:** Do I understand, then, that the hon. gentleman has a commitment from the Premier of British Columbia that he will pass on the benefits of this bill to the senior citizens?

**Mr. Lalonde:** I do not have a commitment, but the Premier of British Columbia has given a press conference