

**Senator Argue:** In your interest as a private member, or in your private research outside the government, this kind of thing could be done if it were the desired thing to do.

**Mr. Cafik:** I am not saying it would be acceptable in constitutional or parliamentary terms, but it seems to me that it is at least addressing itself precisely to the point of the bill.

**Senator McElman:** I think I support the purpose of Senator Argue's point. It is a matter of mechanics as to how one arrives at the end result. I am sure this would be passed on to the minister, and if he knows that the feeling of the other house and the feeling of this committee is strongly in favour of negotiations with the provinces, in which course he is now involved, this is the chief purpose of the argument put forward by Senator Argue. In federal-provincial negotiations, sticks are not commonly used and I do not suggest that they should be. But for whatever value a comparison of figures might have as between the provinces, I think the minister should bear in mind that provinces which are at the lower scale are those very provinces which are receiving, under the federal-provincial taxation agreement, rather substantial sums of money, which have just been increased.

Going back a few years, the basic purpose of the change from federal authority to provincial authority with regard to grants and equalization payments was that this would provide an acceptable—and I stress the word “acceptable”—basic, minimum standard for every Canadian, irrespective of where they might live within the nation. It seems to me that to achieve this purpose the minister has a very strong hand in future negotiations, and I hope that the witness will stress this a little with the minister during his discussions as a consequence of this committee meeting.

**Mr. Cafik:** I am certainly fully cognizant of the depth of feeling and concern on the part of senators with respect to comforts and the amount of disposable income which recipients should retain as a result of these increases. This concern is shared in the other place and will be underscored with the minister as a result of this meeting.

In connection with the second point, which in effect underlines the powers we might have with respect to these negotiations with the provinces, I would simply say that from a strategic standpoint at the moment the federal government has appealed to the provinces to consider this matter in a completely open manner, without jurisdictional arguments, pressures and getting out the big stick, in the hope that we will maximize the potential effects to all Canadians. So it seems to me that your argument is well taken, but that at this particular juncture in these negotiations it would be an improper approach. We might well achieve more by proceeding in the fashion we are presently proposing, but it is an ultimate consideration which will have to be taken into account. There will clearly be a time when provincial governments and the federal government will harden their positions in some respects and there will be points of disagreement. We should therefore bear in mind the comments you put forward.

**Senator McElman:** I simply want the actual basis of provincial-federal grants to be kept in mind.

**Mr. Cafik:** I think that is the basis for it.

**Senator McElman:** Yes, acceptable minimum standards.

**Senator Smith:** Returning for a moment to the matter of spouses, I seem to run into rather nasty situations. I think of a man eligible for OAS and GIS, with a wife four or five years younger than himself. This is a case of hardship, of which we are all conscious. I realize also that the ultimate solution is the recommendation of the Senate committee under Senator Croll. Some day we will have a guaranteed income.

I wonder if there is not a better method of taking a small crack at this problem, rather than spending a great amount of money by making spouses eligible for OAS at almost any age, or even at 60 or 62 years of age. Is there not a method which would give consideration to providing that spouses receive an amount equal to the GIS supplement which they would in other circumstances receive if they were of the age of eligibility for OAS?

Could we obtain a figure which would indicate the cost of dealing with it in that fashion? It is not a very large item in comparison to the calculations. We are bothered by such cases as these. I am sure that more complaints are received by members of the House of Commons than by senators. Could you provide a figure for our record as soon as possible in connection with the cost of that approach?

**Mr. Cafik:** I am not entirely sure that I have a clear picture of what you have in mind. Are you only referring to GIS, as opposed to OAS?

**Senator Smith:** Yes.

**Mr. Cafik:** No, but one could presume that it would be considerably less than \$86 million. We could calculate some details and provide them to the committee simply on a GIS figure.

**Senator Smith:** Yes, I really think there should also be an age limit.

**Mr. Cafik:** It is extremely difficult because in calculating the cost of GIS we have to know the incomes and age groups of those involved.

**Senator Smith:** Could you let us have a rough figure?

**Mr. Cafik:** We could give you an extremely rounded figure, which I believe would be approximately \$25 million or \$30 million.

**Senator Denis:** The figure I have for spouses between the ages of 60 and 65 years is \$280 million.

**Senator Smith:** Excuse me; I was not referring to OAS, but only GIS.

**Senator Denis:** The OAS figure is \$100 and the GIS is \$70.

**Senator Smith:** It is a varying figure.