

Old Age Security

The real issue that has concerned many of us at this time is whether or not the payment of this \$10 should be made retroactive or whether it should take effect as of October 1.

An hon. Member: That is what you have just voted on.

Mr. Thompson: Personally, I think that the government should give consideration to whether this payment should be made retroactive to April 8.

Some hon. Members: Oh, oh.

Mr. Churchill: Sit down.

Mr. Thompson: May I again make it very clear that we voted on the chairman's ruling and nothing else.

Some hon. Members: Oh, oh.

The Chairman: Order.

Mr. Thompson: Mr. Chairman, would you please ask some of the members of the Conservative party at least to be quiet so that I may resume my speech.

The Chairman: May we please have some order so that we can give the hon. member who has the floor the opportunity to be heard.

Mr. Thompson: The much talked about and publicized Canada pension plan has been running into trouble. Basically the trouble has been over the question of interference with provincial rights. This has caused disension which runs very deep right across public opinion in Canada, and has resulted in the immediate measure which has been brought forward to meet the needs of our senior citizens and our pensioners of two wars. This is what we are dealing with today.

There is no question whether the intent of this resolution is or is not right. It is right simply because, with the cost of living increasing right across the board, no one can be expected to have a decent standard of living on \$65 a month. Therefore, the raising of this amount by \$10 a month is a correct and logical step, and I think in fairness to our senior citizens and pensioners concerned it is only right that we should expect the government to make it retroactive to the date when they took office.

The real problem concerned here is simple. It is, where will the money come from? The suggestion has been made that it should be raised from revenue which will be obtained from the increase in personal income taxes. We in the Social Credit party have suggested over and over again, and we emphasize it once more, that if we could use our own Bank of Canada to finance in particular the capital development of our public needs—I am thinking of what we have termed social capital—and could bring in some of the measures we

[Mr. Thompson.]

have spoken about many times, we would be able to save enough money presently being spent because we do not make use of the Bank of Canada as we should. Then the consolidated revenue fund would have sufficient in it to take care of our pensions. If we look at the problem squarely for what it is, and in order to bring about a greater degree of equilibrium between the money which comes into the treasury and that which is paid out, hon. members will understand that we cannot continue to go along as we are. If we refuse to do that, the only alternative is to increase taxes and I do not think the tax levy can go very much higher without bringing real hardship upon the very people we are trying to help by means of this resolution.

There are other means which might be suggested whereby the revenue necessary to finance these proposals could be found. I have in mind a so-called secret report which was prepared for the former prime minister and released by the Minister of Finance on May 8—a report which was printed in a number of our newspapers. I am thinking in particular of the June 18 issue of the *Western Producer* published in Saskatoon, where reference is made to an immense untapped source of revenue, enough to finance this \$10 increase and, indeed, a greater increase than that, not only from October 1 but from April 8. These untapped resources are to be found in undistributed shareholder dividends. One of the major loopholes in our taxation system at the present time is the way in which company profits are not distributed as dividends but are reinvested, thus increasing the equity held by shareholders in a company. In due course the shareholders reap a capital gain from the sale of their shares and make a tax-free profit. The estimated loss, to the federal treasury, according to the report contained in the June 18 issue of the *Western Producer*, is in the region of \$150 million a year. If only the government would face up to the inadequacies and inequities of our taxation system, this would be found a much more lucrative and much fairer source of capital for use in financing such proposals as we have before us at the present time.

I mention these as examples of the type of legislation which the government could be bringing before the house—legislation which would not only assist in its desired objective of bringing about a balanced budget, but which would also lead to a more equitable tax load as far as our people are concerned.

I do not intend to continue at any great length. I do, however, express the view that in meeting the need expressed in this resolution—a resolution to which we give our wholehearted support—the government should be considering various ways and means of