

I can assure you that if the plan proposed is proceeded with, or some other action taken, that it will find very generous support in the House of Commons and I know that there are a great many members like myself who are anxious and willing to place our services at your disposal.

I have always understood that the policy defined by Mr. King would be put into effect as soon as the provincial governments would agree to the necessary amendment to the constitution.

At the same time I wrote to the Prime Minister under date of June 15:

My dear Mr. King,

I have always believed your policy on old age pensions to be based upon the following assumptions:

(1) The principle of old age pensions is sound;

(2) The act passed in the House of Commons and vetoed in the Senate in 1926 and enacted in 1927 would have the approval of public opinion which in turn would bring all provincial governments to accept its terms and eventually agree to the amendment required to make old age pensions a national institution when,

(a) old age pensions would be administered and paid by the federal government;

(b) all old age pensioners in Canada would receive equal and adequate consideration.

The bitter opposition to your policy came from those who believed:

(1) The cost would be too great;

(2) The system should be contributory;

(3) The responsibility was provincial and not federal;

(4) The principle was unsound and socialistic and against public interest.

No doubt you will recall the attitude of the provinces in 1924 and 1925. British Columbia at that time was the only province asking that old age pensions be established. All of the provinces, including British Columbia, refused at that time to agree to bear any share in the liability, and Quebec definitely repudiated the principle.

Notwithstanding the all-out opposition, the adverse attitude of the provinces and the veto of the senate, repudiated by popular vote in 1926, the Old Age Pension Act became a federal law under your leadership in 1927.

British Columbia came in the same year. Manitoba and Saskatchewan followed in 1928. Alberta and Ontario came in and the act was applied to the Northwest Territories in 1929. Nova Scotia and Prince Edward Island joined in 1933, and in 1936 Quebec and New Brunswick made the proposition unanimous.

Public opinion to-day not only endorses the principle of old age pensions but goes far beyond and now demands a sweeping programme of social service reform.

Time, in less than 20 years, has made the vindication of your forward leadership in the field of social service reform a matter of Canadian history.

You will notice in the correspondence a quotation from your remarks in the House of Commons on June 2, 1931. May I also refer you to: *Hansard*, July 20, 1931, page 3947; *Hansard*, July 28, 1931, page 4230. In these addresses you again took the lead by declaring that the constitution should be amended to nationalize old age pensions.

[Mr. McGeer.]

I put that on the record because I believe it is a fair interpretation of the Liberal policy as defined over the years and enunciated by the Prime Minister, in contrast with the attitude taken by the Minister of Finance to-day. Again the Minister of Finance tells us: I cannot afford it. That is equivalent to saying what was said by the Tories and senators who vetoed the bill—it would cost too much. The minister admits that the amount is inadequate, but again he says: It is a matter of provincial and not federal jurisdiction.

Mr. ILSLEY: Where did I say we could not afford it?

Mr. McGEER: The minister did not say that in so many words, but what he did say was this:

I cannot see why, in a state of affairs where all the provinces have surpluses, and some of them enormous surpluses, the provinces should not undertake this, which is primarily their responsibility, not ours, instead of calling on us, with our huge deficits, running up to two and three thousand million dollars a year. Certainly we are budgeting for a deficit of \$2,750,000,000 while all the provinces, as I have said before, are in heavy surplus. . . .

I know there is great interest in this matter, and I know it is a very great problem; but do hon. members think that when we are in the middle of a great war it is in the interests of the war effort for the government to pour out money and more money and still more money which will be spent on goods and services? . . .

We recognize the problem here. I am not going to say the present level of old age pensions is a satisfactory one. But why grind at the dominion government all the time, with its terrific burdens, and with its deficit of two or three billions? Why drive us, or make it almost impossible for us to carry on at all?

That, I take it, is just another way of saying that it is beyond the financial power of the dominion government—which is the equivalent of saying it costs too much. Now I want to deal with that for a moment. We are able to finance the production of an enormous war programme. At the same time we are able to finance, and did last year, the production of a thousand million dollars worth of goods and services which we handed out as a gift to Britain. That was no gift to Britain, in my humble opinion; it was simply a contribution of war energy which we had available and which should have been put where it was sent. But this year we are able to finance another thousand million dollars and hand it over as mutual aid to our allies. Every Canadian is proud to endorse that attitude. But a nation which can produce a thousand million dollars' worth of goods and services in