

*Disabled Persons Act*

It can take from the provinces responsibilities which the bigger ones at least, Ontario and Quebec, would sooner administer for themselves. And, if Ontario or Quebec does not want to take part, the effect may be that their people are paying federal taxes for a service they don't receive.

So it is Liberal policy, decided at our national rally last January, that the federal government will, after a period of time, consider withdrawing from joint programs of a permanent type, when the services concerned have become well established and the provinces wish to carry them on. We would reduce federal taxes by the amount thus saved, leaving more to the provinces.

**Mr. Bell (Carleton):** Are there any such now?

**Mr. Pickersgill:** Ask the provinces.

**Mr. Pearson:** If the minister, when he rises to wind up this particular debate, will tell me that he objects to that particular policy and the principles on which that policy is based, I would be very interested indeed to hear him say so. This afternoon, Mr. Chairman, the Prime Minister made some very interesting and very inaccurate statements.

**Mr. Monteith (Perth):** Not inaccurate.

**Mr. Pearson:** The Prime Minister this afternoon made some very inaccurate statements—

**An hon. Member:** Interesting, you say?

**Mr. Pearson:**—interesting, particularly in their inaccuracy. The Prime Minister claimed as I recall, and I do not think I am wrong in my recall, that under a Conservative government old age security payments—he made a great play of this—had increased by 60 per cent.

**An hon. Member:** Right.

**Mr. Pearson:** My hon. friend says "right". Let us see how right he was. He did not say when he made that statement that he had included the \$6 pension increase granted by the former Liberal administration.

**Mr. Monteith (Perth):** On a question of privilege, Mr. Chairman, may I say the Prime Minister did mention this afternoon that the \$6—

**Mr. Pickersgill:** There is no privilege.

**Mr. Monteith (Perth):** The Prime Minister mentioned the \$6.

**Mr. Pickersgill:** There is no privilege, sit down.

**Some hon. Members:** Order; sit down.

**The Chairman:** The Leader of the Opposition.

**Mr. Pearson:** The Prime Minister also did not say—

**Mr. Monteith (Perth):** Yes, he did say.

[Mr. Pearson.]

**Mr. Pearson:** The minister is interjecting to say that he did say something before I say what he did not say.

**Mr. Monteith (Perth):** He did mention the \$6.

**Mr. Pearson:** Loyalty could not go much farther than that. The Prime Minister did not say that there were 125,000 more pensioners in 1962 than in 1956. The truth is, Mr. Chairman, that the present government has increased old age pensions not by 60 per cent but by 30 per cent. They have also raised taxes to finance old age pensions by 33 per cent.

**Mr. Carter:** That is right; you cannot deny that.

**Mr. Pearson:** This opens up a story on that particular point.

Now, Mr. Chairman, the Prime Minister also said this afternoon, and I think I am quoting him correctly, that all of the changes that he had been speaking about had been made, and these extra benefits had been secured, with no increase in income taxes.

**An hon. Member:** Right.

**Mr. Pearson:** My hon. friend says "right". Well, we will go back to the figures of the Minister of Finance who should be an authority on these matters.

**Mr. Pickersgill:** He is the other side of the government.

**Mr. Pearson:** According to the estimate given by the Minister of Finance in his budget speech of 1959, which can be found on page 2425 of *Hansard*, the combined tax increases made in that one year by the present government were, on an annual basis, \$129 million for personal income taxes and \$84 million for corporation income taxes.

**Mr. Bell (Carleton):** What about the earlier reductions?

**Mr. Pearson:** The total increase in income taxation for that one year alone was \$213 million.

**Mr. Bell (Carleton):** What about the earlier reductions?

**Mr. Benidickson:** Hear, hear; new government.

**Mr. Pearson:** Yet the Prime Minister and his friends opposite have the effrontery to get up in this house and say that these benefits were given without any increase in taxation.

**Mr. Bell (Carleton):** Would the hon. gentleman permit a question?