

Old Age Security

zation of \$48 billion, \$8 billion of which for individuals and \$40 billion for big companies and financial institutions.

Knowing that, Mr. Chairman, we realize it would be easy to transfer \$18 billion from capitalization to consumption. Thirty billion would still be left for the liquidity requirements of all companies and for the development projects needed for expansion needs in Canada. With \$18 billion added to the citizens' purchasing power the government could reduce by 40 per cent the tax on the workers' income and provide also a guaranteed minimum income to every citizen.

We talk about a guaranteed minimum income, but we do not ask ourselves whether we have sufficient revenues for that. We know we have a \$48 billion surplus in 1972-73, but we do not want to talk about it. We do not realize that we could spend up to \$15 or \$18 billion to provide a guaranteed minimum income to all Canadian citizens, even with a tax reduction. All Canadian citizens would then see an increase in their purchasing power, without any increase in taxes.

A vast economic operation would be needed to restore the economic balance. First of all, we would have to remove the taxes that most contribute to the increase in the cost of living, such as the 11 per cent tax on building materials. But they do not want us to talk about that, they do not want that to be mentioned. We are called to order when we want to mention it, but it is a tax that directly contributes to the rising cost of living. It is a tax that gets us into extreme debts, a tax the Canadian people could do without, for it greatly contributes to the increase in housing. Rates of interest should be reduced, especially those of the Central Mortgage and Housing Corporation, that exploits the citizens, although the government controls it. The Industrial Development Bank exploits industries by lending money at 12 per cent interest, which contributes to the increase in the cost of living and causes debts to all Canadians. But great care is taken to keep silent on this.

Mr. Chairman, these overly heavy taxes are taking unfair advantages of a great many people and are responsible for the increase in the cost of living.

It is the interest on money which tends to increase the cost of living because no one can make both ends meet without borrowing money. All monies are borrowed from the first to the last cent. All monies bear interest and when the latter is very high, nobody has the courage to denounce that kind of exploitation. As far as I am concerned, I have the courage and the nerve to state the situation to the public and even to the whole world because the problem is the same everywhere: the exploitation of man by money.

The decision of the government to escalate pensions on the cost of living index with quarterly adjustments, is only a band-aid which will not cure economic ills because all other areas will face increases. The labour force will have more excuses to go on strike and demand wage increases, the cost of living will continue to rise and the whole economy will suffer more and more.

It is allright to say: We will adjust the pensions according to the cost of living index but if the cost of living goes

[Mr. Latulippe.]

higher and higher, what is the use of basing the pensions on the increase of the cost living?

The causes we should determine are those of the economic ills. We have to uncover them.

To balance our economy, there are only three ways: the financing of our municipalities, school boards and governments according to administrative costs. We must finance stocking at reasonable interest rates, because this interest rate is one of the main causes of the increase in the cost of living. But if the government was willing to take its responsibilities, we could finance all the storage of goods at reasonable interest rates which would not contribute to the increase in the cost of living.

Today still, with the 88 formula of banks to finance storage, we pay a 12 per cent interest rate. This does not make any sense but nobody talks about it. The Prime Minister and the members do not mention it. We are the only ones to talk about it.

The Deputy Chairman: Order! I regret to interrupt the hon. member but his time has now expired.

● (1740)

[*English*]

Mr. Orlikow: Mr. Chairman, it is not often that I participate in debates about old age pensions because my colleague the hon. member for Winnipeg North Centre has been so active in this field. However, I could not let some of the opening remarks made by the minister go by without reply. I consider the minister to be one of the best, if not the best, who has ever held that portfolio in the time that I have been in this House. At the same time I consider him to be a friend. But I must say that I was somewhat disappointed in his partisan praise for the record of the Liberal Party in the field of pensions, and I cannot help but refer to the actual record.

The hon. member for Winnipeg North Centre referred to the fact that pensions were first introduced in Canada when his predecessor as member for Winnipeg North Centre, the late J. S. Woodsworth, proposed them in 1925. I want to remind the minister that the then member for Winnipeg North Centre, together with the then member for Winnipeg North, Mr. A. A. Heps, jointly wrote a letter to the leaders of the three political parties at that time, Mr. Mackenzie King of the Liberal Party, Mr. Meighen of the Conservative Party, and Mr. Forke of the Progressive Party, in which they indicated that they would support any of the three leaders if they would bring forth pensions. It was only after this that Mr. King agreed to bring forward the first old age pension plan in this country.

I should like to say a few words now about the comments made by the hon. member for Saint-Hyacinthe. I am not going to go back over the record of the Conservative Party when it was led by Mr. Bennett or by the right hon. member for Prince Albert, but I do want to refer briefly to the recent federal election campaign. At that time the New Democratic Party was proposing that the old age pension should be increased to \$150 per month. The Leader of the Official Opposition not only would not agree to that, but he would not even agree to increase it to \$100 a month. The most that the people of Canada could get from the Leader of the Opposition during the election campaign was a