

Old Age Pensions

are in the neighbourhood of \$5 billion, can an hon. member suggest that, in one particular field alone, we should make an increase which would cost an extra \$900 million on top of what we are now spending? I suggest that is a proposal which cannot be taken as having been offered on serious reflection.

Before the recommendation by the parliamentary committee on old age security in 1950 we were spending \$106 million on old age pensions. Today we are spending on old age security, as I said, for 714,197 recipients the sum of more than \$28 million a month by way of old age security in respect of those aged 70 and over. We are spending for the fiscal year 1953-54 the sum of \$339 million; and every year there is an increase on an average of about \$15 million. When one takes into account the ageing of our population, it will be seen that the cost will grow.

Even on the basis of the present amount, which represents three and a half times what we were spending three years ago, old age security within the next few years will become the most expensive single item in our social security program. On the 700,000 to 800,000 aged 70 and over—and I am not now dealing with those aged 60 and over—we will be spending more than we spend now for two and a half million families, with five million children, through family allowances; three times as much as for disability pensioners of world wars I and II, and three times as much as for unemployment insurance benefits paid out to insured unemployed members of our entire national labour force of 5 million paid workers.

Mr. Knowles: Will the minister relate that to our defence budget as well?

Mr. Martin: Our defence budget is around \$2 billion. I would suggest this. The government will be introducing during this session a nation-wide scheme of disability allowances. As I said earlier, and as the Prime Minister (Mr. St. Laurent) indicated, the government, having in mind its responsibilities in peace and war arising out of our relations with other countries, having in mind our other domestic obligations, continually bears in mind the desirability of providing responsible measures for social welfare for our people. When these various schemes are proposed without any relation to what we are doing in other fields, without any relation to what we still have in mind, I suggest that they present the greatest obstacle to the realization of other measures which in the course of time, in the light of our obligations, we will want to consider and propose.

Do we want to see a nation-wide scheme of disability allowances such as contemplated by the government at this session of parliament?

Mr. Knowles: Hear, hear; and soon.

Mr. Martin: Do we want to see Canada's national health program expand in public health, cancer control and so on.

Mr. Knowles: Yes, and health insurance too.

Mr. Martin: Do we want to see improvements in certain features of veterans' social welfare measures? Do we want to see improvements in our unemployment insurance provisions? Do we want to see improvements in the provisions we make for the blind? Do we want further measures taken to relieve the burden on our people in the matter of our hospital and medical care? If we really want to see these things done, then I ask my hon. friend if he really is sincere. If we are really sincere, no one then will make a proposal which at this time we all know could not possibly be accepted and would only thwart the fulfilment of these other objectives.

The hon. member for Winnipeg North Centre was a member of a parliamentary committee that went into the whole question of old age security. That committee, made up of all political parties, was of the view that we should now try to base our social security measures on the contributory principle in so far as that was possible, if we were going to extend universal coverage as distinguished from the partial coverage system that they have in the United States.

Well, now, if we were sincere then, why should we be less sincere now in trying to maintain the contributory principle? Here is what the committee of which the hon. member for Winnipeg North Centre was a member, of which the hon. member for Red Deer (Mr. Shaw), representing the Social Credit party, was a member, a committee which did distinguished work, said:

The committee is in favour of the contributory principle, not only because of the importance of this in raising total moneys required, but also because of the importance of establishing a close association in the mind of the individual between his contribution to the cost and the ultimate benefit he is to receive.

That was what all hon. members wanted in 1950. If we are going to still maintain that principle which they advocated with great vigour, then they should at the same time not bring in these proposals without letting the country know what it would cost by way of additional contributions by the people of Canada. This would mean an additional cost; it would impose an additional burden not of 2 per cent, but a burden going up as high as 10 per cent on individual persons in this country.