

*The Address—Mr. Fulton*

revised—and it should not be left until next spring; it should be done now—by increasing the levels of the payment and by raising the means test substantially, if not eliminating it altogether. With respect to the hon. member's amendment, may I say that I think it is a good one—I must say that I wish I had thought of it myself—and I intend to support it.

To turn from this matter to another consideration, it seems to me that, in advocating certain increases in payments under war veterans allowance and in contemplating the increased social security payments which have recently been approved by this house through the Old Age Security Act, we must turn our minds also to a consideration of how the country is going to finance those measures. I do not think it is responsible action on the part of members on either side of the house simply to advocate increased payments without being prepared to indicate in general terms how they think those increased payments can be met. I do not mean that we should lay down a blueprint, because it is not the responsibility of the opposition to lay down, in black and white, just how we think such details should be worked out; but I believe that we are not justified in constantly advocating increased social security and other welfare payments unless we are prepared to recognize the problem that they create, and which must be met, namely, the problem of paying for them. It is to that problem that I should now like to turn and to which I should like to invite the consideration of the house for the remainder of the time that I am going to take this afternoon.

This problem must be approached in the light of the fact that we have undertaken, and have committed this country to, a continuing level of expenditures which, when you sit down and think of what it means, almost staggers the imagination. We are a country of fourteen million population, committed to two undertakings alone which are going to tax all our energies to finance. If we do not start now to work out and to take positive steps to meet the expenditures involved in these undertakings, I believe that they may well bankrupt this country. Those two undertakings are the social security measures to which we are now committed and the expenditures in connection with our defence effort and the obligations which we have assumed to the North Atlantic treaty countries, of finding raw materials, arms and equipment to meet the threat of aggression.

I am not talking blue ruin, Mr. Speaker, and I hope that nobody will take it that I am

doing so, or that I am advocating decreasing the present social security commitments of this country. What I am suggesting is that if we do not face the facts squarely and recognize that we are committed to really tremendous expenditures we may well wake up some day, when things are not quite so prosperous and easy as they are now, with a disastrous situation staring us in the face. I am urging that we face the problem now, and start on measures which will enable us to absorb these expenditures into our general economy.

First, a few figures to show the levels of expenditure to which we are committed at present. For social security we are now committed to an annual expenditure of \$735 million in round figures. These figures are taken from the estimates of three departments, the Department of Labour—and there taking account only of unemployment insurance expenditures—the Department of National Health and Welfare, and the Department of Veterans Affairs. The estimates of these departments for the year 1951-52 total \$735 million.

In addition, Mr. Speaker, we have assumed recently under the amended old age pensions legislation an annual expenditure by the dominion government of a further \$230 million for old age pensions to those of 70 years and over, and an estimated \$25 million annually for the dominion's portion of the pensions payable to those between the ages of 65 and 69. Under the Department of National Health and Welfare, for old age pensions and related legislation, we are thus committed to an additional expenditure at present levels of \$255 million a year. Then under the announcement made on Friday by the Minister of Veterans Affairs (Mr. Lapointe), and according to the best figures I have been able to get, it is estimated we shall have to find an additional \$30 million a year for the increase in disability pensions. These two heads of increased expenditure total \$285 million a year. When this is added to the present payments for old age pensions, disability pensions, unemployment insurance and so on, we are committed to an annual expenditure of \$1,020 million for health and welfare services and pensions.

Then, under the heading of defence we have been told that Canada is expecting to spend for herself and her allies something in the neighbourhood of \$5 billion, spread over the next three years. Simply to take general averages may of course be somewhat misleading, but we have to work with the figures we are given. If you average that out it comes to \$1,750 million a year, for our