

The Address—Mr. Douglas

before the federal-provincial conference which limits the contribution to Ontario to \$98 million. There is no limitation to \$14 per capita. Let me read the Prime Minister's words:

The federal government is prepared to accept fiscal responsibility for an amount per capita of approximately one half of the national cost of medicare programs based on the proposed definition.

Then he goes on to say:

We estimate this half to be \$14 per capita in 1967.

I take it that if the cost is \$30 per capita, the federal government will pay half.

What about this cost of \$40 per capita? The report of the Saskatchewan Hospital Care Commission, a plan which has been in operation for three years, has just been published, and if hon. members take the trouble to look at that report they will find that the average cost for the year 1964 was \$24.77 per capita. Therefore, when the Prime Minister makes an estimate of \$28 per capita for a national average, I think this is a very reasonable figure. But, according to the Prime Minister's statement, if it costs more than \$28 per capita the federal government will still pay half.

I want to plead with the Prime Minister not to allow this befogging of an important issue by some people, who seem to be more interested in keeping the private insurance companies in the medicare field than in getting progressive legislation on the statute books, to keep him from doing the things he started out to do.

The fourth thing I want to deal with is social security as a factor in productivity. There was a time when it was thought in some quarters that insecurity and a fear of want were necessary goads to compel workers to produce. But today social science has demonstrated that people work most effectively when their worries have been reduced to a minimum and when they have achieved freedom from fear and freedom from want.

I am saying that social security is a prime prerequisite to any program designed to raise productivity. Today we are supporting an amendment calling for a \$100 a month pension. We have moved an amendment saying it should be paid at age 65 without a means test. Earlier today the Prime Minister described this as being irresponsible. I want to remind him that as far back as November 1961, at a meeting in Manitowaning, in his own constituency, he described the N.D.P. proposal that the old age pension should be raised from \$65 to \$75 as being irresponsible.

However, in the recent election he and his colleagues were going around asking people to give them some political credit for their "irresponsibility."

The Prime Minister made his major case for not increasing the pension to \$100 a month payable at age 65 on the fact that this would cost some \$855 million. Let us see how this figure is made up. The cost of raising the pension to \$100 a month for those who are now 70 and over, will be \$225 million and the cost of dropping the age to 65 will be \$630 million making a total of, as the Prime Minister said, \$855 million. However, it is not quite fair to use this vast figure as a bogeyman to frighten people away from the proposal which we have put before the House and the country.

In the first place it should be pointed out that the government is already committed to lowering progressively the age at which the pension will be paid, and that when this transitional period is over, paying only \$75 a month to this new age group from 65 to 70 is going to cost the federal government an additional \$475 million. So we are not talking about \$855 million: In reality we are talking about \$380 million.

In the fiscal year 1965-66 the old age security fund will have a surplus of some \$216½ million, so that now we are talking roughly of \$160 million. May I also point out that this is a gross figure, not a net figure.

First of all, under the Old Age Assistance Act the federal and provincial governments are spending nearly \$100 million a year and this, of course, will become unnecessary. In addition, under the proposed Canada Assistance Plan the federal government, along with the provinces, will save many millions of dollars in welfare payments that will be unnecessary if a pension of \$100 a month is paid at age 65. Therefore I suggest that the cost is getting quite low.

Also I would point out that over the period of the next few years the economic growth, if continued at the rate that the Economic Council thinks it can be maintained given proper economic direction, will take care of a large part of the cost. If the economic growth and increased productivity are not sufficient, then I would remind the Prime Minister that on many occasions we in this party have made two proposals.

As hon. members know, the old age security pension is financed by a 3 per cent sales tax, a 3 per cent surcharge on corporation tax, and a 4 per cent surcharge on income on the first \$3,000 of taxable income. If the