

Old Age Security Act Amendment

moment where the money required to implement this legislation will come from. It must of necessity be raised by taxation. As I said at the outset of my remarks, Mr. Speaker, we have to decide where the taxation load is going to bear the lightest and where extra taxation will be most effective. If we do not consider this question we are just bumping our heads against a wall, and certainly we cannot justify such indifference to this matter. As I said before, the people of this country will have to pay these taxes. Although we have already been told, I am going to tell the house again in a moment where the money is coming from. It comes from taxation of various kinds.

In order that the people of Canada may continue to be fully employed we must export our products. This is an absolute must. Consequently industry must be sufficiently buoyant to provide jobs. Canadian industry must be able to compete in world markets. If the people of some other country are working longer hours and more efficiently, that country will soon overcome the advantage we have of a more than average supply of natural resources and take our markets away from us. To survive and flourish in this world today we as a nation must be competitive. In order to be competitive we must be productive. Obviously, Mr. Speaker, a country with only 20 million population and with the resources of Canada has insufficient markets at home to keep everyone busy. The old saying is that we must export or die. This means that our elderly people will have to contribute to the success of industry and help it to be productive, and this they want to do.

I said I was going to take a moment or two to explain where the revenue comes from to pay our pension bill; at least, it has paid the bill up to now. Other speakers have mentioned this and I repeat it because it bears repeating. There is no question of that. The people of Canada must understand that these welfare measures, to which we all heartily subscribe, must of necessity be paid for by the taxpayers of the country.

At the moment we get 3 per cent of the money from sales taxes. The sales tax is added to the cost of the goods, and of course it is the consumer who by buying goods pays this tax. There is a 3 per cent tax on corporation income. If corporations do not export their goods the people of Canada buy them. So again it is the people of Canada who pay the bill. There is a 4 per cent tax up to \$120 a year on personal incomes. These incomes are

[Mr. Flemming.]

the personal incomes of the taxpayers of Canada, not necessarily large taxpayers but taxpayers nevertheless. So I say to the minister with all the force I can muster that he should of necessity not disregard the fact that there are economic aspects to all welfare legislation.

I suggest that the minister should have a talk with the Minister of Finance (Mr. Sharp) and the Minister of Trade and Commerce (Mr. Winters) and find out from them what they think about legislation which is going to cut by 50 per cent the little extra remuneration which a person who has retired is able to earn. If a pensioner does no extra work he receives the whole \$360 a year. If he earns \$360 it will be cut to \$180. This is what it amounts to.

If I may summarize my remarks, people who receive the old age security pension of \$75 a month should be allowed to supplement that pension up to the full amount of the supplement provided by the legislation. After all, the pension of \$75 a month is universally applied and I see no reason why the supplementary payment should not also be universal.

Since we have not been successful so far in persuading the minister, and through him the government, to accept our suggestions in this regard, I would ask the minister whether he would seriously consider these two minor changes which I have taken the liberty of suggesting to him. I think they are most desirable. The first suggestion is that the pensioner be allowed to earn dollar for dollar up to the monthly maximum payment of \$30 a month made to him by the government. Any additional earnings, of course, the government would not match. My second suggestion is that in the case of a man and his wife both or either of them should be allowed to earn the full amount of the supplement payable to each.

● (8:30 p.m.)

It is said that we have a relative scarcity of workers. We talk about unemployment but workers are scarce. It is difficult to get certain jobs done at specific times. We should not discourage people who have the urge to work, but that is what we are doing in the legislation as it is drafted. We need the experience that people have gathered over a long period. We need the many skills they have acquired. We need the services of people who want to contribute to their own progress, to that of their families and ultimately to that of their country. The services of such people should be