

Supply—Finance

think it is shameful to work. They do not have to work because they live on the interest of the interest. They spend their time arranging flowers. I am referring to grown men with great capacity and mental ability. They do not believe it is worth while to work. Hon. members will recall that 200 years ago no gentleman would ever consider working. We have turned away from that idea.

Now let us consider these family corporations. What is so sanctimonious about a family corporation? One of the things against which I have spoken over the past 25 years has been the existence in this country of an establishment. I refer to the family corporations. They are the reason that 182 families in Canada control 85 per cent of our economic wealth. Does anyone think this is good for the economy, when we have this type of establishment? If you want to preserve this situation, I think you are going backwards. The idea should be to loosen the control of this establishment.

Nothing could be better for at least 80 per cent of these family corporations than to lose control. If they were to invite young men with ambition and intelligence to take over these corporations, the situation would improve. If you examine the successful operation of United States corporations, you will find that is one of the reasons they have been successful. They have invited new blood into the corporation. As I say, there is nothing sanctimonious about the preservation of family corporations. I need not go further and make any drastic remarks about the preservation of privately amassed fortunes. Is it worth while to protect this type of thing, and say that someone has amassed a fortune so it must be preserved? If that were the case, then there would be no tax imposed at all. This is where the crux of our problem in Canada lies, the existence of family corporations and family fortunes. There is nothing better than this type of legislation which will break up the establishment and keep the economy of this country rolling. I welcome these changes because I think that this will be the answer, to break up this establishment and invite new blood, new energy, into our whole industrial picture.

Mr. Francis: I should like to say a few words on the question which was raised this afternoon by the hon. member for Winnipeg North Centre, the adjustment of pensions for retired civil servants. This matter has come up on a number of occasions before. The hon. member for Winnipeg North Centre, on

[Mr. Otto.]

November 16, put into the record of *Hansard* in some detail the report of the joint committee of the Senate and the House of Commons on this question, which reported several years ago. I do know, Mr. Chairman, that this is a matter of great concern to the government. I do know it is a matter which the Minister of Finance has considered in some detail. The problem of budgeting in these circumstances is a very difficult one indeed.

At this stage, however, I must appeal to the minister, and hope that at the earliest possible date there will be some adjustment made in these pensions because, in my opinion, the case for such adjustment is a strong one indeed. I do not want to add to what has been said already by hon. members in this house. Very briefly, I may say that the last adjustment was made a number of years ago. The principle of escalation and adjustment of pensions is one which we have generally accepted in a number of respects. We have written it into the Old Age Security Act for everyone. The problem of the government, in its capacity as an employer, of setting a good example is one which I commend to all hon. members in this house. During the course of the last election campaign in my own constituency, this was one point upon which I campaigned very strongly, and I have not in any respect changed my mind.

I do know that the case is one of justice, and one which does not add too greatly to the burden of the treasury. There is at the present time in the fund in excess of \$3 billion on which a rate of 4 per cent is allowed by the government. If we were to add 1 per cent to that rate of interest it would mean an amount of something over \$30 million a year to the fund. This amount would be more than adequate to make a very good adjustment in the pensions of civil servants who are now retired. There are roughly 30,000 pensioners and if they were to receive an increase of roughly \$30 in their pensions this would amount to about \$10 million, or about one third of the resultant increase in the fund to which I referred.

The budgetary problem, as I have said, is a very difficult one. I know what the Minister of Finance is trying to do, by setting an example bringing in what is an absolutely necessary measure of fiscal responsibility. I am happy today to say that I agree with what the hon. member for Winnipeg North Centre has said. On a previous occasion in this house I took exception to the line he was taking because, in my opinion, it was an irresponsible