

*The Budget—Mr. Cafik*

guaranteed income supplement. By doing this, every person who qualifies for the guaranteed income supplement would be assured of an increase in excess of \$150 per annum. Most people who have studied this problem, not only in Canada but in the United States, agree that if the government can provide a guaranteed income supplement of approximately \$150 per annum for old age pensioners this would enable them to live in decency. I repeat that I look forward to the approach which the Minister of National Health and Welfare is taking. I am sure it will result in a substantial increase in the pensions of our senior citizens. I am sure that hon. members from all parties will support this measure.

One other matter in relation to old age pensioners which I feel should be discussed relates to property taxes and rents which senior citizens must bear. As hon. members know, a very large portion of property tax is made up of the amount of taxation required to support education. The senior citizens who have lived in this country for many years have to a great extent been responsible for the building of this country. They paid for the education that most of us in this House and which most adults in the country have received. Yet these people are still being required to pay for the greatly increased educational costs which we are undertaking today.

It is my belief that the government should consider easing the property tax burden and rental burden on old age pensioners through some form of allowable deduction for income tax purposes. Perhaps the entire amount of property tax which the old age pensioner pays on his residence, or a portion of the rent could qualify as a deduction from income tax. There are other possibilities. Perhaps this amount could be related; however, it is unlikely that the federal government could do this directly. It may be necessary for the federal government to provide some incentive to provincial governments to ensure that they institute programs to ease the property tax burden and the rent burden on our senior citizens. I commend this suggestion for the minister's consideration.

Again, Mr. Speaker, I look forward to the introduction of the white paper on social security. I hope it will provide very substantial increases in the pensions of our senior citizens.

**Mr. Norman A. Cafik (Ontario):** Mr. Speaker, I had intended in this debate to focus and zero in on three specific issues, but in view of

the fact there are only five minutes left, I shall confine myself to one. That is need for federal and provincial legislation to ensure a greater degree of Canadian ownership of Canada's natural resources.

**Some hon. Members:** Hear, hear!

**Mr. Cafik:** The basic development of Canada's resources in the past has largely depended upon the extent of foreign investment that has been brought into this country. This has largely taken the form of equity investment. If steps are taken to dissuade or dry up this foreign investment, corresponding steps must be taken to encourage Canadian individuals and institutions to replace this missing capital with their own risk dollars.

I believe that legislation is required to make it possible for many of our institutions to take the necessary steps to assist us in achieving self-ownership. Insurance companies have millions and millions of dollars in reserve, but are prohibited by law from investing in a way that will help us achieve that objective. They are limited to the investment of 15 per cent of their reserves in equity stock, and only then under very stringent rules. For instance, they can only invest in a firm with a five-year history of earnings. This is but one of the many restricting limitations. A change has to be made in this regard. A portion of such funds must be made available for equity investment in risk ventures.

● (9:40 p.m.)

Then there is the money tied up in federal and provincial funds, a great deal of it—as one example the Canadian Pension Plan investment fund. In this particular case, \$1,280,788,000 was given to the provinces for investment in 1968. Their investment transactions do not include investment in equity stocks. I believe laws should be passed which would allow this to happen. The money is being used at present to support provincial and municipal bond issues and investments of that type. I believe it should be required that a significant proportion of these funds be used for investments in areas of development which would maximize Canadian participation in our own future.

In my view it is better for levels of government to borrow foreign capital from banks than it is to admit the same amount of capital into Canada by way of investment on an equity basis in our primary resource industries. The Canadian Development Corporation