

with growing families. Very often these people own their homes. They have accumulated many goods during their lifetimes. They generally have household furniture, cars and things necessary for their comfort. Indeed, a person approaching 65 years of age would be well advised to buy a good car and put his house in order, or to have a boat and motor if he enjoys the water or a cottage at the lake, rather than putting money into a pension plan which inflation eats up day by day. If people want to be especially prudent, they may want to take their money to a country where the climate is more hospitable so that they could take advantage of their money should currency controls come to pass.

This cynicism about the value of pensions was expressed by Mr. I. H. Asper of Winnipeg, a former Liberal leader in my province, when he spoke to the Life Underwriters Association in Toronto. Mr. Asper had this to say: "There are very few pension plans that are funded sufficiently." Some may dispute Mr. Asper's sombre warnings, but nevertheless there is abroad the opinion that pension plans are losing their value. The question of whether pension plans can be indexed has been raised. The private sector has suggested that it is unable to provide full protection to the federal public service. It is widely suggested that only through the taxation powers of the federal government are we able to give protection to the federal public service. This would be impossible for private companies.

Will the government attempt to move into the private sector to protect private pension plans? With inflation at 4 per cent a person retiring on a pension of \$10,000 a year would find in ten years he could buy only \$6,800 worth of goods and services. At 8 per cent the real value would be \$4,600.

● (2150)

Could the private sector provide an indexed private pension plan? It would require a great deal of change in investment direction. Present pension funds are invested in a mixed bag of securities. Stocks tend to lose value when inflation rates are high. The returns on new bonds tend to rise with inflation, but those holding existing bonds suffer a loss. Perhaps we should look at an indexed bond type of security.

With those words, Mr. Speaker, I should like to resume my seat and hear the government put its case.

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

**Hon. Marc Lalonde (Minister of National Health and Welfare):** Mr. Speaker, I shall only have a few words to say on this second reading. I understand that we are all eager to see this bill go to committee so that we can look at its detail and discuss it.

I will not take the time of the House tonight to give detailed information on some of the points that have been raised. I should only say that these points have been studied extensively by the Canada Pension Plan Advisory Board and by the Advisory Council of the Status of Women. The bill before us comes out of the recommendations of these two independent, autonomous bodies. The Canada Pension Plan Advisory Board is composed of quite a few experts in the field of pensions, and

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the Advisory Council of the Status of Women is composed of outstanding Canadians, mainly women, who have at heart the improvement of everything to do with the status of women in this country.

I would remind my colleagues in the official opposition who have expressed some reservations about this bill that all but one of the main provisions have the support of the ten provinces of Canada, and the other provision has the support of nine provinces.

I apologize for being absent at the beginning of debate this afternoon but I am glad to have had an opportunity to hear the speech of the main spokesman for the official opposition again tonight from the hon. member for Dauphin (Mr. Ritchie). I can find some of the words and exact quotations there so I do not think I missed too much of the argument of the hon. member for Hamilton West (Mr. Alexander). I will take his remarks about my absence as a tribute to the importance of my presence, but I want to assure him that this did not go to my head.

I want to agree with the hon. member that the bill before us is of major significance. I notice that the hon. member for Winnipeg North Centre (Mr. Knowles) was not too sure that he wanted to go that far, and expressed reluctance in some respects. I am used to hearing from the official opposition that we are going too far, however, and from the New Democratic Party that we are not going far enough.

What concerns me about some of the arguments used this afternoon, particularly by the hon. member for Winnipeg North Centre, is that some of the propositions he put forward would have very little support from provincial governments. That would be very important in this field since all amendments must have the support of at least two thirds of the provinces having two thirds of the population. After listening to him, however, I am quite convinced that there is a great difference in being the third party in this House and being in power in a particular province. I do not think I have heard any NDP provincial government put forward the proposals he has, and for good reason. There are tremendous costs involved in some of them. What surprised me is that he is not going any further; I have not heard him propose full salary for spouses staying at home in all conditions and all cases.

**Mr. Knowles (Winnipeg North Centre):** I do. That is a good idea.

**Mr. Lalonde:** The hon. member did not go that far this afternoon so I suspect we will have another speech along this line soon.

**Mr. Knowles (Winnipeg North Centre):** There is always another year.

**Mr. Lalonde:** Questions have been raised about the actuarial soundness of the plan or the cost of the proposals. I should like to remind hon. members that the Minister of Finance (Mr. Macdonald) recently tabled in this House Statutory Actuarial Report No. 5 put forward by the Chief Actuary in the