

*Canada Pension Plan (No. 2)*

urgent to get them onto the statute books before the end of 1973, that it was better to bring them in now rather than waiting until the finishing touches had been added to the other changes that are proposed.

The importance of removing the 2 per cent ceiling and of raising the yearly maximum pensionable earnings on which persons can contribute is such that I accept the minister's word on this point, namely, that this bill should not have been delayed until the other points were completely resolved. But I urge him very strongly to get that other bill in just as soon as he can. I was not very happy some days ago when he said something to the effect that he might not be able to get the other bill introduced before Christmas. I still hope he will find it possible to do so, because some of the other points that are going to be dealt with in it are likewise very important.

As an incidental benefit from this bill, I wish to share in the sense of satisfaction that it puts the Canada Pension Plan and the Quebec Pension Plan back on parallel paths. As the record will show, I expressed considerable concern during 1972 at the extent to which these two plans were following separate paths in certain respects. The then minister of national health and welfare did not seem to think it was terribly serious. At any rate, I did. I am glad that now, with respect to such things as the escalation formula and the yearly maximum pensionable earnings, the plans will again be parallel with each other.

Sir, the minister has outlined in very clear terms the things that this bill does. Therefore, it is not necessary for me to go over them as we sometimes do just to make sure that we understand. I do want to say how welcome is the decision to abolish that 2 per cent ceiling on the annual escalation of pensions and other benefits paid under the Canada Pension Plan.

● (2050)

I suppose it is inevitable that because there are four parties in this House we should all want to get the inside track or be the ones to have made the first pronouncement. I was interested to note that the hon. member for Hillsborough pointed out that the proposal to remove the 2 per cent ceiling was actually made in 1972 by the hon. member for Simcoe North (Mr. Rynard), and in a bill proposed by the hon. member for Hillsborough in 1971. There is some argument, therefore, as to which one of the two main parties was before the other in making this suggestion.

May I remind both the Liberals and the Conservatives that when the Hon. Judy LaMarsh in 1964 or 1965 first announced the escalation formula of 2 per cent and made the statement on motions, it was my privilege to respond on behalf of my party. Accordingly, that very day I criticized and attacked that 2 per cent limit as grossly inadequate. When we got the first Canada Pension Plan into the joint committee and dealt with it, I did my best to persuade the government of the day that it was not good enough, for example, to apply the wage index to the escalation of pension entitlement before retirement and then to use only the cost of living index up to a 2 per cent ceiling with respect to the escalation of pensions payable after retirement.

So while my friends on both sides of the House are arguing as to which of the two old parties is ahead of the

other, when they talk about 1971, 1972 or 1973 let me remind them that we were fighting against the 2 per cent ceiling in 1964 and 1965. In a sense, since we have had to wait that much longer to win, I suppose the joy in our camp is all the greater.

The past state of affairs has been a disgrace, especially in the last few years when the cost of living has been mounting by a much larger percentage than the annual increase in Canada pension benefits, limited as that increase has been to an annual increase of 2 per cent. The value of the Canada Pension Plan which is, without doubt, a most important piece of social legislation has been severely tarnished by that 2 per cent limitation. I congratulate the Minister of National Health and Welfare (Mr. Lalonde) for having been able to persuade his cabinet colleagues to remove that ceiling altogether. I congratulate him for getting rid of the ceiling and for the formula under which there is to be established a catch-up factor, the result being that in January, 1974, benefits under the Canada Pension Plan will increase not just by the actual percentage rise in the cost of living in the previous year. For those who had been getting Canada Pension Plan benefits in earlier years there will be a percentage increase, going back to 1967, which will make up for what those people did not get during earlier years.

I thank the minister for putting on the record the actual percentages for each of the years in question, so that persons who are drawing benefits will be able to determine what their increase will be this coming January. It will range from 8 per cent for those whose pensions began in 1973, up to 20 per cent for those whose pensions began back in 1967.

As I say, this is a significant development. A significant step forward has been taken by removing the 2 per cent ceiling and relating pensions to actual cost of living increases. But I must not let this part of my remarks go by without saying to the minister that, although he has the honour and privilege of being the head of his department when this particular battle is being won, he must remember that this is not the end of the matter. He knows that under the Canada Pension Plan, the formula for escalating entitlement during the years that contributors are working is based on the wage index which, over the years, has moved up faster than the cost of living. He knows, also, that a very important joint committee of the Department of Veterans Affairs and organizations representing veterans some months ago recommended that veterans pensions should escalate, not just by the rise in the cost of living but in accordance with the rise in the standard of living.

One of these days, when we have won this cost of living principle across the board, the new crusade will begin. Actually, it is already under way but it will really get going when we push for pensions to reflect, not just the full rise in the cost of living but the full rise in the standard of living. I have pressed that point a good many times and I am doing so again tonight. Wonderful though it is to have pensions escalate by the full percentage increase in the cost of living, it is not good enough to say to our older and retired people, "All you will get in your retirement years is enough for you to be able to buy the same total package of goods and services that you were able to buy at the time you retired."