

*Canada Pension Plan (No. 2)*

widows, widows with dependent children, and disability pensions. We would also like to see consideration given to the possibilities of extending coverage to spouses of contributors and to a lowering of the age when retirement benefits can be made available.

Other provinces pushed for three basic objectives. First of all, they asked for a substantial increase in benefits and contended that Canada Pension Plan benefits should be increased significantly to bear a realistic relationship to the needs of pensioners as living costs and wage levels increase. Second, they asked for immediate steps to be taken to reorient the CPP to more adequate pension levels. With regard to parallelism, they contended that in order to rebuild national pension harmony the third objective should be to re-establish parallelism between the Canada Pension Plan and the Quebec Pension Plan. This objective should be sought in line with, not at the expense of, the first two objectives.

The province of Ontario proposed that the earnings ceiling be raised to \$9,500 in 1975 compared with the federal proposal of \$7,800. Under the Ontario proposal, the maximum pension would be \$192 a month beginning in 1976, compared with \$160 a month under the federal proposal. The Ontario proposal also called for the elimination of the earnings test for pensioners between the age of 65 and 69; for CPP retirement pensions to be made available to people between the ages of 60 and 64 on a reduced basis; for increased benefits for widows aged 60 and over; and for equal treatment for men and women with respect to survivors benefits.

The Hon. Bruce L. Stewart from Prince Edward Island said that this plan should provide a one step benefit station, without the need for further resources, to provincial assistance schemes or other benefit plans. This, of course, is in line with what I said last night, as did others before me, namely that some of the OAS and CPP schemes be amalgamated. Numerous other suggestions were advanced by the provinces and, hopefully, the minister will consider them at the time some of the final steps in his total social security program are taken.

Looking very briefly at the performance of the fund over the years from 1965 and 1966 and the present day, we find that many or all of these proposals are possible for the future. At the present time the fund has an excessive amount of money in it. In order to keep my figures correct I shall come back to this later; I cannot find them in my notes at the moment.

The task force on social security said of Canada's pension plan that it had had little effect on poverty in Canada so far, and questioned whether the plan will ever have the effect that the government expected it to have and which the minister said it would have. Even if the plan were to reach maturity in 1973 the combined annual income from the CPP, the QPP and the OAS would only be \$2,600 per year, and the \$1,400 CPP or QPP pension would preclude anything but a token payment under the guaranteed income supplement program. The combined total of payments under CPP and QPP and OAS do not compare very favourably with the 1973 Senate poverty line for a single individual which is set at \$2,650.

● (1520)

As an anti-poverty measure the CPP suffers from the same basic defect as unemployment insurance because benefits are related to income. Therefore, if you tend to live in poverty before retirement this pattern will be perpetuated by the pension scheme. It should also be noted that in the calculation of eligibility for the income-tested guaranteed income supplement CPP and QPP benefits must be counted as income and, hence, for every dollar received through these programs there is a 50-cent reduction in the guaranteed income supplement.

The task force also makes a serious analysis of the dilemma in which housewives and divorced mothers find themselves, and points out that CPP and the QPP are designed to complement old age security but displace and improve upon the guaranteed income supplement for the aged who have been in the labour force. However, this raises a serious question as to why housewives are not included in the pension plan. Housewives are now eligible for both old age security and the income supplement. Should a woman, therefore, who has spent the better part of her life raising children and tending to family matters be excluded from the Canada Pension Plan? If a wife is predeceased by her husband who is eligible for CPP or QPP payments, the wife can claim a widow's allowance, but what of women whose husbands have deserted or divorced them? A wife who is divorced by her husband loses all rights to the widow's pension and, under these circumstances, has to fall back on the acknowledged inadequate payments offered by old age security and the guaranteed income supplement.

My distinguished colleague, the hon. member for Hillsborough (Mr. Macquarrie), paid tribute to the Minister of National Health and Welfare (Mr. Lalonde) last evening for the diligence with which he applies himself to his job. He has in this parliament been more productive than any of his colleagues. He has introduced several bills all designed to push up the ceiling on some things. He has dealt twice this year with old age security measures, and has made adjustments to the family allowances program as well on two occasions. This has all been done in order to protect those unfortunate Canadians from the growing cancer in our economic system, inflation.

Maybe this bright new star in the government ranks could be motivated to assist his colleagues in the serious dilemma in which they find themselves, and in finding a solution to the increased cost of living and inflation problems. I give the minister credit for not repeating what his colleague, for instance the Minister of Manpower and Immigration (Mr. Andras), has done. The Unemployment Insurance Commission had a ceiling of \$800 million on its borrowing from the government when parliament commenced this session in January. Rumours have it now that contributors and taxpayers will have to find some \$2,400 million to keep some of Canada's work force idle. These are the hard facts, regardless of how the statistics are adjusted, seasonally or otherwise. The minister has pushed up the ceiling so high he has not yet realized that the lid has blown off and the roof has caved in. I just worry about how we will ever face the impossible task of cleaning up the mess after Canadians have had the opportunity of relieving the present government and their