

*Canada Pension Plan*

years would pay in approximately \$4,100, which is more than five times as much, and he would receive the same pension as Mr. Abel.

If Mr. Abel purchased a government annuity with his \$800 he would receive at age 70 a pension of \$9.90 per month. If Mr. Baker purchased a government annuity with his \$4,100, he would receive a pension of \$136 per month. Yet under the Canada pension plan they would both receive the same pension.

Just as a matter of interest, if Mr. Baker, the 52 year man, purchased a private annuity with his \$4,100, he would receive a pension of \$175 per month, or if he purchased a private annuity worth \$2,500 in life insurance, he would receive a pension of \$152 per month. If Mr. Abel at age 60 purchased a government annuity which would give him the same benefit he would receive under the Canada pension plan, namely \$104 per month, it would cost him \$10,700 instead of the \$800 under the Canada pension plan.

Surely the minister should consider changing this proposal so that some of the fund could be used to help those individuals who have already retired. Why not stretch out the transitional period a little more, say to 15 years or longer, or whatever is required, so that some of the revenue can be used to help those who have already retired?

Another weakness I see in this plan, which I think should be considered, is that those people who are earning \$10,000 per year or more are also covered by the Canada pension plan. It is true that they will pay only up to the first \$5,000, but in order to help those individuals already retired, why not increase the upper limit, with a greater variation in contributions, so the additional revenue could be used in this way?

The fourth weakness I see in this plan is the method of disposition of the fund moneys. The minister has indicated that this money will be lent to the provinces. Last evening the Minister of Finance (Mr. Gordon) indicated that there is a great need for social capital. He suggested these provinces would use this money for technical and vocational schools, hospitals, urban redevelopment, university buildings, transportation and so on. In other words, the fund money which will be advanced to the provinces could be used for these purposes. However, what assurance is there that it will be used for these purposes? I think the lack of such an assurance is another weakness in this plan.

It seems to me that some of these problems, for example urban renewal and growth of our metropolitan areas, have become national in scope, and will continue to be so in Canada in the future. The central government must accept a certain measure of responsibility. If the government insists on establishing this fund, and lending some of it to the provinces, surely they should tie certain tags to the moneys so that solutions may be found to these problems which are national in scope. That is not the case under this proposal. Some provinces may use the money for higher educational purposes, by building additions to universities, while other provinces may not, and again a situation of inequality will develop throughout the country.

Mr. Speaker, I have certain questions I should like to put to the minister, and I hope when she replies in closing the debate she will give some answers. If the minister is not in a position to give answers to some of these questions in her closing remarks, perhaps at the committee stage she will be able to give them.

The first question is related to portability. The minister indicated that there will be agreements with the opting out provinces providing for portability, so that if an individual moves from the province of Quebec to another province his pension will be completely portable. My question is, will these agreements also ensure that the opting out provinces will not materially change their plans, thereby destroying or disrupting this portability? Will these agreements cover that situation?

Clause 115 requires that, by order of the lieutenant governors of the provinces, two thirds of the provinces having two thirds of the population must agree to all changes in rates and benefits. What will be the position if in 25 years this plan goes into the red—in other words, if expenditures are greater than receipts so that the fund is used up? What is the position then of the federal government if one province, for instance Ontario, vetoes an increase in the contributions?

Another question I should like to ask relates to the R.C.M.P. and the armed forces. Can the minister indicate to us what were the government's reasons for including civil servants but excluding the R.C.M.P. and armed forces? This is the way I understand the bill, but I do not know if I am right. If I am right, why is that so? Incidentally, when it comes to the civil servants, yesterday the Minister of National Revenue (Mr. Benson) was speaking about the integration of private