the purpose of the government should be to help citizens, not unnecessarily to harm them.

In the final analysis, I think it is important that the Canada Pension Plan be actuarially designed to provide imcome for those who have contributed. It should remain separate from old age security, and some consideration should be given to the fact that the managers of the plan might be instructed, or be placed in a position to invest the money to yield a good interest so that contributors to the plan will be rewarded as much as possible.

● (1650)

[*Translation*]

Mr. Gérard Loiselle (Saint-Henri): Mr. Speaker, it is my pleasure to join the previous speakers who have voiced their approval since the beginning of this debate on Bill C-224. It seems that there is no opposition to the bill from either side of the House. I congratulate each hon. member who, while approving the amendments introduced by the Minister of National Health and Welfare (Mr. Lalonde), has suggested improvements which I am sure will not come into effect immediately. But knowing the Minister of National Health and Welfare, I am sure that all those suggestions will not remain unheeded.

I would like to relate the history of this bill and summarize its main features.

Passed on April 3, 1965, the law establishing the Canada Pension Plan came into force the following May 5. The collection of contributions began in January 1966 and the first benefits were paid in January 1967 in the form of retirement pensions.

The first benefits to surviving people were paid in February 1968. This plan is a major landmark of social progress in Canada as it enables millions of citizens to secure a financially safe retirement while simultaneously protecting their dependents or surviving relatives against the loss of income in case of disability or death to the bread winner.

This plan is in force throughout the country except in Quebec which has a similar and closely co-ordinated pension plan; the Canada Pension Plan and the Quebec Pension Plan practically operate as one single plan. Together they cover almost all working people in Canada, including the armed forces.

The benefit credits accumulated under both plans are portable everywhere in Canada. The contributor who works for more than one employer or who is self-employed during the whole or a part of his working life accumulates pension credits no matter where he works in Canada. Moreover, the plan benefits are paid to recipients, whether they live in Canada or abroad.

Every contributor to the plan must have a social insurance number so that his gains entitling him to a pension may be registered correctly for benefit purposes.

There are three main kinds of benefits: retirement pensions, benefits to surviving relatives, including pensions to widows and disabled widowers, orphan benefits, the overall death benefit, benefits to the disabled, including the pension to a disabled contributor and benefits to his dependents.

In another field, the same bill includes provisions to give complete justice to any Canadian citizen who, on account of a decision from the board or from the plan, feels frustrated in his rights.

Any contributor or recipient included in the plan has the right to appeal against decisions he deems unjust. As regards participation and contributions, requests from employees and employers must be sent first to the Minister of National Revenue (Mr. Stanbury). Should the minister's decision be unsatisfactory, the applicant may appeal to the Pension Appeal Board, whose decision is irrevocable.

As to earnings assessment for the purposes of Canada Pension Plan, review applications from self-employed workers are treated in the same way as appeals provided under the Income Tax Act. As regards benefits, there are three appeals: one can refer to the Minister of National Health and Welfare (Mr. Lalonde), to the review committee or to the Pension Appeal Board whose decision is final.

Implementation of the Canada Pension Plan and the Quebec Pension Plan is already an important step in the area of social security in Canada. Such an initiative from our government shows to what extent the latter was concerned with retired people, disabled persons, surviving spouses as well as orphans who, since the plan was implemented, have been able to live more serenely.

In 1968, this government, aware of the problems resulting from inflation and willing as always to be earnest towards pension beneficiaries, implemented a review of social security. Since then, many Canadians have been able to meet their obligations, despite unavoidable increases in consumer prices, and this was made possible by the government's determination to protect citizens against the rising cost of living. Today, faced with the rapid rate of inflation, the government continues to take the necessary measures. This is why, on September 4, the Right Hon. Prime Minister (Mr. Trudeau), in a statement made in this House, presented immediate legislation designed to slow down the inflation rate. Among these measures, I would like to mention one that enable retired workers and citizens who belong to the above-mentioned categories to keep pace with the standard of living.

Since 1966, we have witnessed—and this makes me very happy—the government's flexibility in their amendments, that I could qualify as systematic, if I consider the amendments brought forward in 1968 to set up an adjustment mechanism which provided for a maximum annual escalation of 2 per cent for pension benefits. Since these amendments, this government has remained on its toes in the face of the extensive inflation that afflicts not only us but all countries of the western world, and we are quite aware of that. That is why after repeated efforts and lengthy studies it was agreed to set up a mechanism much more flexible than the previous one which provides for the adjustment of pensions on the current cost of living standard and a progressive adjustment from year to year.

For those who contribute to both plans; the Canada Pension Plan and the Quebec Pension Plan; maximum pensionable earnings will be increased from $5,600 to $5,900, $6,600 in 1974, and $7,400 in 1975.