

*Provision for Portable Pensions*

law. For a number of years plans were regarded as approved if they met certain conditions. But then the time came when some constitutional experts doubted the validity of these income tax arrangements and so the blue book on pension plans, which was the bible a few years ago, was thrown away. Hence, for a number of years we have had the situation that there was no norm or standard that applied to pension plans of workers under federal jurisdiction.

Meantime, of course, we have had new régime with respect to federal-provincial relations. There are more discussions between the federal authority and the provincial authorities regarding all kinds of matters, and so a couple of years ago or more the conference was held to which the parliamentary secretary referred, with the provinces on one side and the federal government on the other. I for one am pleased that a decision was made to produce a general pattern that both the provinces and the federal government would endeavour to follow in setting up this kind of legislation. We can go into the actual details a little more when we reach some of the clauses of the bill dealing, as they do, with the precise standards to be laid down as well as the standards to be provided by regulation later, but in the meantime I think it is good that we have this kind of legislation before us.

I suppose, Mr. Speaker, that it is looking away into the future to suggest one or two things I have in mind, but I have discovered in my life in parliament that things which one thought might take forever to come about manage to come about if one stays around here long enough. I hope that some day we will see legislation in this field which will not only lay down the conditions that employers must meet if they have pension plans but will require pension plans to be part of a contract of employment. I think the day has come when pension arrangements, both private and public, should be universal so that all people will have the benefit and protection of these arrangements.

The other element which I hope some day will be in legislation of this kind relates to a matter with which we are at long last coming to grips, the problem that pensions have of trying to live throughout their pension period of the fixed pension that they receive at the time or retirement. Many a pension plan which, while the employee is working, seems to him to provide him with a good pension

and at the time of retirement seems to provide him with a reasonable amount on which to live, is discovered later, because of the rising cost of living and the rising standard of living, to be of greatly reduced value. In fact, many a person who thought he had a pension good for life, later finds himself in dire circumstances because of these changes that take place.

We have recognized this problem to a slight extent in the provision we have written into the Old Age Security Act and also into the Canada Pension Plan under which, starting in 1968, there can be a slight escalation of pensions in accordance with rises in the cost of living. I regret that the index used for that purpose is the cost of living index rather than the wage index or some index that would measure our productivity much better, but at least the principle has been accepted in these two pieces of legislation that a pension as fixed at the time of retirement does not necessarily have to stay at that level for the balance of one's life.

We are wrestling with this same problem in relation to our own retired employees, our superannuated civil servants. This matter has been referred to the special joint committee on the public service of Canada and because it is before a committee I will not discuss it here. I merely express the hope that the very useful discussions taking place in that committee will result in a recommendation to the house that these people are entitled to an adjustment in their pensions even though they are in retirement. What I am coming to, Mr. Speaker, is that I think the day will come when we have to write that kind of provision into this kind of legislation. We will have to say that all pension plans, if they are going to be registered and meet the conditions laid down by the state, must have built-in provisions for escalation.

History would suggest that the cost of living is going to continue to go up and one hopes that the standard of living will continue to rise. I read a very interesting speech, a copy of which was sent to all of us, made a few days ago by the Minister of Finance (Mr. Sharp), in which he played the role of a prophet or the son of a prophet and made predictions as to what life was going to be like in Canada in the year 2000. He was careful to say that he found it easier to predict what was going to happen in the year 2000 than to predict what would happen next year. However, in that interesting speech he suggested that the average income per family in the year 2000 would probably be about