

The Address—Mr. Pearson

In parliament we did make some progress in achieving them last year, especially the one which is, in some respects, the most pressing because it makes others, if we succeed in it, easier to achieve. I refer to measures to continue the expansion of our economy and measures for increased employment opportunities which that expansion, and only that expansion, can create for Canadians. This year we should make further economic progress, and I will return to that shortly.

What has already been achieved, and the measures that are already operating, I believe at this time make appropriate some shift in the emphasis of our approach to this problem. The reduction in unemployment and the improvement in national income gives, if I may put it this way, somewhat more elbow room so that we can go on to make important progress by a balanced program of action over a wider field.

Probably the most important of all the items of legislation which the government will submit this session is the Canada pension plan, the contributory pension scheme to which my right hon. friend and his friends are opposed; and indeed the right hon. gentleman is opposed, as I interpreted his words this afternoon, to any system of registration which would make such a scheme possible and effective.

Mr. Diefenbaker: Mr. Speaker, I am sure the right hon. gentleman does not want to misinterpret me. There is no question at all of our opposition to the pension scheme. We were the ones who asked that a pension scheme be set up, a contributory one, and endeavoured to get it through.

Mr. Pearson: Mr. Speaker, I of course accept the right hon. gentleman's statement, but I would point out that it is not possible to put into effect a contributory pension plan, or indeed an unemployment insurance scheme, without a system of registration for those who benefit from such plans.

I am fully in agreement with those, both friends and critics of the plan, who have urged that it is of such long term importance as to require the most careful study; and to that end we will propose that it go—and we will do this as quickly as the house permits us to do it—to a special committee of this house with full power to call witnesses and examine every aspect of the proposals in detail.

Our proposals have already been discussed with the provinces and, as a result of that discussion, we have made some revisions in the plan as it was first presented to this house. After all, this plan deals with something in a field in which jurisdiction is shared between the two senior levels of government in this country, and to have a satisfactory plan, one

that is to work effectively in Canada, it must reflect the best practicable consensus. In order to secure that, and after the discussion to which I have referred, we have made two main revisions in the plan as originally submitted.

We are now, in the scheme we are putting forward, providing for bigger reserves, a substantial part of which will be available for provincial investments, and we have somewhat reduced the scale of the pension benefits. They would have ranged between 20 per cent and 30 per cent of earnings, depending on the age at which a man began his pension. The average would have been 24 per cent or 25 per cent of earnings. Now the pension scale will be 20 per cent at whatever age between 65 and 70 a man retires. This reduction is not large. It does not change the essential nature and value of the plan, but it will mean a significant saving in the long term cost of the plan.

Our consultations with the provinces have led us to accept this revision as a reasonable one, but I must say that I am considerably less impressed by certain criticisms of the plan recently made by the premier of Ontario, which turns not on the eventual nature of the plan but mainly, as an examination of his letter will show, on the transition period. Premier Robarts apparently would like us to lengthen the 10 year transition, that is, to slow down the development of benefits under the plan.

Mr. Kindt: May I ask the Prime Minister what the premier of Quebec is saying, too?

Mr. Starr: Isn't he in Canada?

Mr. Pearson: The premier of Quebec has his own attitude toward this plan. He has a provincial plan, but I am now talking about the national plan. It is perhaps at this stage of greater importance what the members of the House of Commons say about this plan than what the premier of any province has to say.

It is, of course, true that the longer the transition period the smaller will be the adjustment problems which are created by any pension plan. This is true of any major reform in any field. In particular, in this case a longer transition period would minimize the adjustments in contribution rates and future benefits under existing pension plans. This seems to be in the mind of the premier of Quebec. It is an important consideration, and I do not underestimate its importance. But it is also important that only about 30 per cent of the Canadians now at work are beneficiaries under existing plans. The urgent social need is surely to provide for the other 70 per cent, who are not now