pension plan is a portable plan. It is not necessary to say that in the resolution or in the bill, but once it is a federal plan for Canadians the benefits of which they can draw wherever they live in Canada, that makes it portable, and on that basis it is welcome.

We also welcome the fact that the government has not yielded to the pleading that it lengthen the period before the plan becomes full grown, in other words that it has not extended the 10 year period. If it were to be extended, if it were to amend it so that 15 or 20 years would be required before the pension plan would pay the full benefit, it would not be of any use to a great many of our people at the present time, or in the years immediately ahead.

One other feature about the plan that we think should be recognized as a good one is that it is set up in such a way that the amount of pension under it can be increased. It is quite clear that the maximum earnings ceiling can be raised from time to time, and therefore the maximum benefit can be increased. It is also clear, if one reads the report of the actuaries on the previous plan, that through the years there can be increases in the basic flat rate old age security payment as well. In other words, both stages of the plan are capable of increases so far as amounts are concerned, and therefore once we get this plan under way and we get some of the kinks ironed out we can anticipate that the amount of the pension will increase through the years, and begin to move in the direction of what the white paper says, namely the day when all Canadians will be able to retire in security and with dignity.

I wish to make it clear, Mr. Chairman, that that is not possible under this plan with its present figures, and that it will not be possible even 10 years from now, because in the intervening 10 year period costs will have risen and so on. However, at least it establishes the principle upon which this can be done, and we think that all of the parties in the house, whether or not they like the government, should recognize those things about the plan that are good, and that therefore we should support it and do our best to get it into effect at the earliest possible date.

Those things that are good about the plan, and which have to be said about it after the speech of the hon. member who preceded me, should not blind us to the fact that there are certain shortcomings. In the first place, we in this party deplore as strongly as we can the action of the government in reducing the maximum possible benefit under this plan from $100 a month, as was the case last July, to $75 a month as is the case in the version of the bill that is now before us. We also deplore the fact that this decrease in the maximum possible benefit is accompanied by a slight increase in the maximum contribution that participants will be required to pay, from $40 up to $45 a year.

We feel that this is a case of giving in to the opponents of the plan, the insurance companies, the provinces that have objected to it and so on, and in our view we think the government is not keeping faith with the Canadian people. As has been pointed out several times, the government, and the Liberal party before it became the government, made certain proposals, all of them higher than are now before us. We know from various polls that have been taken how strong is the feeling amongst the Canadian people that we should have a federally operated government pension plan, and we suggest that to have cut this down, to have watered it down from a maximum of $100 a month to a maximum of $75 a month is not keeping faith with the Canadian people. We regret that that change was made and we hope that even yet the plan may be restored to what it was last July.

We also regret that the government has given in to the contention of the insurance companies, and some of the provinces, that the figure of last July was so high that it might incline some people to withdraw from private pension plans. Those words, by the way, are taken from the press release of the Prime Minister in January of this year. Then the Prime Minister went on to say:

> To meet this concern, the federal government is prepared to propose that the earnings-related pension be reduced from 30 to 20 per cent of pensionable earnings.

This concession was confirmed by the Minister of National Health and Welfare when she said that the government had taken into consideration the view that too high a pension might lessen the incentive to people to provide their own private pension plans. We think that this is unworthy of the Minister of National Health and Welfare, unworthy of a government that prides itself on having done something in the field of social legislation. To have yielded at all is bad enough, but to admit having yielded to that kind of argument, and to do it in black and white as the Prime Minister did, to do it as the Minister of National Health and Welfare did this afternoon, we think is reprehensible.

A third comment critical in nature that I should like to make about the plan and the manner in which it is presented is this. I do not think the government should keep on tying together the two amounts, the amount that a person will draw from old age security and the amount that person will draw from