

*Canada Pension Legislation*

will not be subject to any retirement or means test.

**Some hon. Members:** Hear, hear.

**Mr. Pearson:** Old age security is a universal, flat rate benefit, and we do not believe that conditions should be applied in a federal program of this kind. At the same time, however, the government does think it reasonable to recognize that the needs of people between 65 and 70, when many are retired but some are not, vary a great deal. It is therefore the government's intention to recommend to parliament that the Income Tax Act be modified so that the additional personal deduction of \$500, now available from age 65, will in future begin at age 70.

This change will, of course, be made only in stages as the old age security benefit becomes available to people at ages earlier than 70. The withdrawal of the additional deduction will not affect people who have little or no income apart from old age security. It will affect only those people between the ages of 65 and 70 who have other resources sufficient to put them into a taxable category.

What is now proposed, Mr. Speaker, will of course cost money. We believe, however, that this cost can and should be met. Through the conjunction of old age security and the Canada pension plan we will have a pension system that puts Canadian social justice in the forefront of achievement throughout the world.

**Hon. J. W. Monteith (Perth):** Mr. Speaker, we are now seeing what I think is the fifth edition of the Canada pension plan. May I say immediately that we as the official opposition heartily agree with this particular step. If I recall correctly, moves along this line were suggested in the committee but were opposed by the government majority in that committee.

I think there is one thing I should mention, and that is that I do not think it is entirely equitable to have the \$75 becoming payable to people aged 69 one year from now, to those aged 68 two years from now, and so on. Another matter that the Prime Minister did not mention—at least if he did I failed to hear it—was whether the extra payment was to come out of Canada pension plan funds. I am not sure whether the Prime Minister did mention that, but at this stage I think that is all I can say. We will be discussing the plan further. The official opposition at that time will have many more suggestions to make which can improve this present plan;

[Mr. Pearson.]

and I believe the government should take these further suggestions into consideration when a major step like this is being announced.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, on behalf of this party I want to express our very warm appreciation of the announcement made today by the Prime Minister. Even though I might wish that the announcement had gone further, what has been announced indicates the value of the work which was done by the joint committee on Bill No. C-136.

I want most of all to say that what is being proposed in this announcement does establish a very important principle, namely that the flat rate old age security pension should be available without a means test at ages below 70. I wish the full pension could start at 65 right away, but at any rate the principle has been established that we are to get down to 65 as the universal age for the paying of pensions under the Old Age Security Act.

With regard to the principle, I wish only to say that it is good and that it is warmly welcomed. In my view the government has done well to pay attention to some of the arguments which were put forward in the joint committee, particularly with respect to the earlier proposal of the government to pay old age security at ages between 65 and 70 at a reduced rate. The government has now come to the realization that that is not a good idea but that instead we are going to have the full amount of the old age security payable at these lower ages. I must say that I wish the progress could be a little swifter in getting down to the age of 65, but at least we are getting it started.

I hope that even yet the government will study the other phases of the work of the joint committee and will note that there was very strong support in the committee not only for lowering the eligible age for old age security but for increasing the amount of the pension under that act. While it is true that my amendment to raise the pension to \$100 per month did not receive the support of the committee, there was support for raising it by some amount.

I remind the government that when it brought in the first version of the Canada pension plan in 1963 it recognized that coincident with the Canada pension plan there had to be an increase in the amount of old age security. That increase was brought in separately in 1963, but I submit that when the Canada pension plan benefits begin to be