

Canada Pension Plan

government on what they have done in devising the formula on the basis of which the retirement pension is worked out. The scheme, a complicated one, but one not beyond comprehension, is a formula whereby the rate of pension at which a person will retire on reaching 65, or between 65 and 70, is related not to the actual number of dollars he was getting at that point but to his earnings throughout his working lifetime, adjusted according to the changes which have taken place in the earnings index. That is good.

It recognizes that there is something else besides a rise in the cost of living, and that this something else is better measured by changes in the earnings levels than it is by changes in the cost of living index. I think there are other factors, the general productivity and the gross national product of the country. But at any rate the government has accepted the proposition that in arriving at a rate of pension up to or at the point of retirement something else than the cost of living index is taken into consideration. However, once a person goes on pension, whether it is the Canada pension plan amount of \$104.17 a month, to use the initial maximum figure, or the \$75 under old age security, once that point has been reached the government says, "From here on you senior citizens, you great Canadians, the only adjustment you are going to get in either of these pensions is based upon the cost of living index. The gross national product may go up, earnings may go up, the standard of living in Canada may go up, we may have a society infinitely more affluent in ten or 20 years time than was the case when you retired, but the only basis on which there is to be any change in your Canada pension plan retirement benefit, or any guaranteed change in your old age security benefit, is on the basis of a rise in the cost of living index."

Yes, Mr. Speaker, the rise in the cost of living index must be compensated for when we ask for pension increases. It has to cover that, but that is not the only item. What I do not like about tying the old age security pension to the cost of living index is that it ties it to only one element and denies to our senior citizens the other benefits of a society that is growing more affluent and is producing more wealth. These are benefits in which our senior citizens should have the opportunity to share. I recognize what the minister said the other day, and one of the reasons I am glad I raised my question of privilege was that it got one admission out of her that had been very difficult to get; that is, that the \$75 figure

[Mr. Knowles.]

is not necessarily fixed for all time. In all previous discussions on this matter I had not been able to get a word out of her, but when I complained about this increase of only 75 cents in 1968 the other day she did say:

Nor is anything in this bill intended to exclude any future action by any parliament with respect to that base.

Well, Mr. Speaker, that is good to know. One of the Liberal members the other day said it is fine to get this cost of living index change; it means from here on there will be no more politicking about old age pensions and the increase will be automatic. If it is left to the automatic increase it will take ten or 15 years to get a few dollars increase. It will be only because of the genuine political interest in the well being of the Canadian people that we will get an increase in that \$75 a month. I say, Mr. Speaker, that the government should even now realize that there have been increases in the cost of living since the \$75 was set, increases in the wage levels and general productivity, and it should set for parliament as a goal that the flat rate of pension should be raised to \$100 a month by the time we reach our 100th birthday in 1967. I submit that it would be a mark of good faith on the part of the government toward our old age security pensioners if they were to set out a schedule of \$5 increases every few months which would bring it up to that figure of \$100 a month by 1967. If we do not do this, we are really leaving them out of this legislation.

Mr. Speaker, I want this principle of still being concerned about the people who are retired to extend not only to the old age security pension but also to the Canada pension plan retirement benefit; I want it to extend to superannuated civil servants, to Canadian National employees and all people on pensions. I think one of the tragedies of the viewpoint the government has taken with respect to pensions is that it does pretty well up to a point, it keeps improving the various pension plans and the public service superannuation plan; but it says to people once they get on pension, "Well, you are off our hands now". Up to this point that has been absolute—there has been nothing more. Once this bill gets through there will be a slight improvement; we will get the benefit of the increase in the cost of living index. But this is the only benefit our pensioners will receive, and it is very small. That is only one element in the standard of living of our people. We do not deny to members of a family the increased benefits that the family can enjoy; and I submit we should