

HOUSE OF COMMONS

Wednesday, February 17, 1965

The house met at 2.30 p.m.

HOUSE OF COMMONS

CORRECTION IN "VOTES AND PROCEEDINGS" OF FEBRUARY 16

Mr. Speaker: I have a short correction to make. At page 1045 of *Votes and Proceedings* for yesterday there appears an entry relating to the tabling by the Minister of Finance, pursuant to standing order 40, of the public accounts, volumes I to III, and an abridged version thereof.

At the same time a copy of the annual report of the Auditor General of Canada for the fiscal year ended March 31, 1964 was also tabled but through an oversight it was not recorded in yesterday's *Votes and Proceedings*. A record will be made in today's issue of the tabling of this annual report.

OLD AGE SECURITY

ANNOUNCEMENT OF PROPOSED AMENDMENTS TO CANADA PENSION LEGISLATION

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have a short statement to make about old age security. The government, and I am sure all hon. members of the house, have read with great interest the proceedings of the joint committee on the Canada pension plan, and I would like if I may, Mr. Speaker, to take this opportunity of congratulating the joint chairmen and the representatives of all parties who were members of the committee. I think I speak for all members of the house when I express appreciation for their work, most of which was done during the recess.

Some hon. Members: Hear, hear.

Mr. Pearson: In reviewing the representations made to the committee, its discussions and its report, the government has come to the conclusion that there should be certain amendments on the lines recommended by the committee, though not identical in all respects, and there is also one major change that should be made in Bill No. C-136 consequent upon the work of the committee. Many of the representations made to the com-

mittee were concerned not with the new earnings-related pension as such but with the flat rate pension which is now provided at age 70 for virtually all Canadians under the Old Age Security Act. Some of the proposals put forward are ones that everyone would like to act on, but they are too expensive for the government to accept as financially responsible at this time when there are so many other things that we in Canada need to do.

One of the most urgent of our social needs, however, is to make pensions available at age 65. Bill No. C-136 proposes to do this, over a five year transition period, both for the new earnings-related pension and the flat rate old age security pension. Under the bill as it is now before the house old age security would be paid in a reduced amount the earlier it is taken. Many of the people and organizations submitting briefs to the committee pointed to hardships that this reduction could involve. After reviewing such representations the government has come to the view that it should recommend to parliament that old age security be paid in the full amount from the time people are 65.

Some hon. Members: Hear, hear.

Mr. Pearson: That amount at present is, of course, \$75, to which it was raised in 1963. Under Bill No. C-136 the \$75 will in future increase automatically if the cost of living rises. The additional change the government now recommends is that, beginning next January, the full pension will be paid to people who have reached age 69; the following year the full pension will be paid at age 68, and so on until by 1970 everyone reaching age 65 will be entitled to the full amount of \$75 or more, in addition of course to the Canada pension plan benefits which will then be available to newly retiring people.

The government will move this amendment to Bill No. C-136 when the relevant sections in part IV are reached in committee. Since additional expenditures are involved, I hereby give notice of the necessary resolution, in the name of the Minister of National Health and Welfare, which might be taken to the table now, Mr. Speaker. I should make it plain that the old age security pension at age 65