

*Canada Pension Plan*

chance to vote for the Canada development corporation which the government was talking about a year or so ago, but it seems to have been forgotten since then. But we believe funds for these purposes should be obtained on a voluntary basis and on the basis of ability to pay; they should not be built up by taxing people in the lower income brackets. I also believe that when we are building up a fund for investment in the development of the country on the basis of the peoples' savings there should be much greater control of such a fund from the centre than is envisaged in this present plan under which, as I understand it, control and direction of investment is given to the provinces in proportion to the amount of contribution made in each of the provinces.

I trust I have made it clear that though the plan itself is one which we welcome—indeed, it is similar to the plan we have been advocating in this party for a long time—there are many shortcomings attached to it and we hope these can be eliminated while the bill is in committee, or if not as the years come and go.

Thus far I have been talking mainly about that part of the bill which concerns the Canada pension plan proper. I now wish to say a few words about that part of the bill which deals with a related subject, but which in effect amends the Old Age Security Act. We welcome some of the proposed amendments to the Old Age Security Act which are contained in this part of the bill. We suggest, however, that if this is a time when the Old Age Security Act is being opened up there are many other changes which ought to be made. For example at the present time—and the hon. member for Perth (Mr. Monteith) has referred to this—no matter how many years of residence a person may have here he cannot qualify for the pension unless he has spent the last full year before going on the pension in Canada. I understand the reason for putting this requirement into the act but I suggest it has produced some strange anomalies. We now have a situation where some people can live in this country for ten or 15 years, reach the age of 70 and live on the old age security pension in full for the rest of their lives. Other people who may have lived here for 30, 40 or 50 years, but who have had to leave for health or family reasons before the age of 70, find it difficult or financially impossible to come back and spend a year here. So they are not able to qualify for the pension. I have records of a number of such cases in my files upstairs,

letters from the United Kingdom or the United States where people are waiting hopefully for a message to the effect that there has been a change in this legislation of advantage to them. Such a change does not appear in the bill now before us but I hope we can bring about an alteration of this kind while the bill is under examination in committee. I remind the minister that either she or the Prime Minister (Mr. Pearson) told us that these changes which we now see in the Old Age Security Act were made at the instance of the federal government without consultation with the provinces. Therefore, although there might be some difficulty about getting changes in the Canada pension plan part of this bill because of agreements, almost treaties, arrived at with the provinces, we can surely get changes in the old age security part of this measure.

But the part of the bill which concerns or annoys me most in relation to the Old Age Security Act is the part about which I rose on a question of privilege on Tuesday of last week, namely this cruel hoax of telling our old age pensioners that things are going to be fixed up for them, their pension dollar protected, and so on, because pensions are to be pegged to the cost of living index. First, may I say to the minister that it is inaccurate to use the word "pegged", giving the impression that the pension will go up to the same extent that the cost of living index rises, because she knows that under the provisions of the legislation the pension cannot increase by more than 2 per cent in any one year. Therefore if we had a situation—and it could quite conceivably occur—where the cost of living index rose by 3 percentage points in each of ten years, at the end of ten years the cost of living index would have gone up by 30 percentage points but the old age security pension would have gone up by only 20 per cent.

But apart from this—and my colleagues in my party know this is something I have been talking about for many years—I complain about this device because I think it is a snare and a delusion to tell old age pensioners that things are fixed up for them once their pensions are tied to the cost of living index. The cost of living index is not the only element in our economic life; it is not the only element which has a part to play in the standard of living of our people. More important elements are the gross national product, the level of productivity and, to use language out of the Canada pension plan itself, the earnings index. I congratulate the minister and the