

*Supply—Health and Welfare*

on except the \$40 per month which the pension provides. If the means test is abolished, the standard of living of the pensioner increases in proportion to the amount of savings which the pensioner has been able to set aside during his or her working years. For these reasons, I believe that the means test must be abolished from the age at which a pension is required, namely sixty-five.

Now, how are we going to bring about a pension at sixty-five without a means test? By introducing a contributory pension plan, with contributions based on the pension being paid at sixty-five without a means test. Government, the employer and the employee would each make equal contributions in the case of those who are employed, and government would participate on an equal basis with those who are self-employed. The division of the cost borne by government between the dominion and the provinces would be worked out by negotiation between the dominion and the provinces at the forthcoming dominion-provincial conference. Contributions would continue until the age of sixty-five is reached, and from then on the pension would be received as a matter of right. Those who are sixty-five and over today would receive the pension in exactly the same fashion as those who would in future contribute towards it.

I have talked to a great many working men and women about how they feel about contributing toward a pension plan of this kind, and I have found that they are not only willing, but anxious, to be able to contribute during their working years, so that they can look forward with certainty to at least a basic minimum standard of living when they reach retirement age. One point they make clear, however, is that, having contributed towards the pension during their working years, they want to start receiving the pension when they reach the retirement age of sixty-five, and not five years later.

I have also talked to a great many employers, and I have found that they, clearly seeing the pattern which union agreements are taking on this continent today, are anxious that the government should set up a contributory pension plan now so that their employees will automatically receive a basic pension when their retirement date comes due. They feel, as do their employees, that having contributed towards the workers' pension during working years, they want their employees to start to receive it when they reach the retirement age of 65, and not five years later. They prefer a government plan to a company plan, because then the cost of pensions will be borne equally by all firms in an industry, and not just by the progressive few, as is the case today.

[Mr. Hees.]

The sooner we start a contributory pension plan, with contributions based on paying a pension at 65 without a means test, the sooner shall we be on an actuarially sound basis; and the cost borne by government will be approximately 40 per cent of what it would otherwise be under a non-contributory system. We shall then be able to apply tax revenues toward increasing the pension, and thereby increasing the standard of living of old people and bringing it more into line with that enjoyed by other members of the community today.

If we had started a contributory plan some years ago, we would today be able to pay a \$50 pension. As \$50 a month is no more than a bare minimum standard of living at today's cost of living, let us, as soon as possible, get ourselves into a position in which we can pay a pension of that amount.

Let us get on with the job. As the workers want it, as the employers want it, and as it is the only kind of plan which meets the needs of the situation today, I call on this government to bring in a contributory pension plan, to start at 65 years of age, without a means test, at the earliest possible moment.

**Mr. Lesage:** I do not wish to discuss the report. It is not the time or the place to do so. I had hoped that the report itself would not be discussed in the chamber because, as the report states in its concluding words:

The committee trusts that the views herein set forth will appeal to the provincial governments as worthy of favourable consideration.

There is no direct recommendation in the report. It is the opinion on balance of the committee. It is the opinion of 39 members of the other place and of this house who have spent hours and hours in the study of this extremely difficult and complex problem. If I had not been a member of the committee and if I had not read the report, I could have done as the leader of the opposition and as the hon. member for Broadview have done. But of course the members of the other parties who were on the committee did not use the same language. Of course they knew that you cannot have a pay-as-you-go system on an actuarial basis because a pay-as-you-go system is exactly the opposite of an actuarial system. An actuarial system is one of insurance which means the building up of a reserve fund. In a country which is not far from us a legislative body has thought it well to spend \$25,000 for a two-year study of the means of getting rid of the actuarial basis. It is the only country in the world, except Switzerland, where it is in force.

If the leader of the opposition and the hon. member for Broadview had been on