

Canada Pension Plan (No. 2)

afraid to leave their homes in daytime because they are inadequately and improperly clothed. I still hear of men who cannot get jobs, despite the university degrees they possess, because they are over 50 years old and corporate pension plans do not permit the hiring of people of that age.

I share the hope expressed by my predecessors in this debate that we shall introduce legislation which will result in private pension plans, to which many of our citizens contribute, being made interchangeable and portable and as flexible as the Canada Pension Plan. Such legislation would guarantee our citizens the chance to contribute to better private pension plans. This bill, in essence, is a reflection of those ideas and goes a long way toward establishing the kind of social security system that was mentioned in the Speech from the Throne. It is unnecessary to repeat what the speech said. I simply say that in the near future, and by that I mean a few years as I am not looking much beyond the end of this decade, we must consider the idea of a complete and cohesive guaranteed income program for Canadians. I do not mean a program that will encourage persons to stay at home rather than to work; I mean a program that will guarantee the citizens of this country a basic standard of decency. This bill moves us in that direction.

I shall touch briefly upon my second point. I want to deal with the dollars and cents that are behind this program, compare it with past programs and look to where we shall be in the future. In addition to our medical care program, I think it is fair to say that we shall see introduced in this country what I may call "pharmacare" or pharmaceutical care and dental care programs. Remember that about ten years ago all we had in this country was the old age security pension of \$65 a month. Compare that situation with the situation of today in which, under the guaranteed income supplement plan, we guarantee that a single, elderly person shall receive not less than \$2,150 a year and a married couple not less than \$4,100 a year. The benefits under the plan are available at age 65 instead of age 70, and many members of the House have expressed the desire that the eligible age be lowered to 60. I add my voice to theirs and hope for this to come about.

The 2 per cent escalation provision has been removed and the cost of living adjustments will be made quarterly, not annually, which will mean more dollars in more pockets. The yearly maximum pensionable earnings provision will bring into the plan a considerable number of additional dollars, and on the basis of actuarial data to which I shall refer in a moment the result, obviously, will be a substantially increased pay-out at the age of 65. It is this increase from the current maximum of \$5,600, as mentioned by an earlier speaker, under YMPE to \$6,600 in 1974 and \$7,400 in 1975 which, at the 1.8 per cent level of employee and employer contributions, will increase the maximum individual contribution to \$106.20 next year. That will be the employee's contribution and there will be an equal and matching contribution by the employer.

Also, the 12½ per cent per annum increase on the 1974 ceiling of \$6,600 will bring a greater number of capturable dollars, if I may use pension terminology, into the plan and there will be, as well, an increase in the amount of money which will be received by beneficiaries. The result

[Mr. Blaker.]

is this: Whereas the present maximum is \$6,600, that maximum will rise to \$13,000—we are speaking in terms of yearly maximum pensionable earnings which will apply by 1980—and present benefit of \$1,089 will rise to more than \$3,000 over and above the old age security pension.

Finally may I cite some examples which will show how this plan is to work. A married man with four children who let us say retired in 1971 when he was earning \$5,000 per annum would have received the following benefits under our system: from the pension plan, \$63 per month; from the old age security pension, \$160 a month; from the guaranteed income supplement, \$64 a month—for a total of \$287 a month or \$3,444 annually. Those benefits are to change as follows: the man will get, under the Canada Pension Plan, \$86 a month; under OAS, \$210 a month; under GIS, \$89 a month—for a total of \$385 a month or \$4,620 per annum.

According to a very cautious and conservative projection, by 1975 to the individual who was making \$5,000 a year when he retired in 1971 will be receiving under the Canada Pension Plan \$123 per month, under OAS \$228 a month, an under GIS \$81 per month—for a total of \$431 a month or \$5,172 annually, which is more than he was making when he retired.

● (1730)

This is an extremely conservative projection of the rates of inflation which reflect the possibility of income improvement. If we look only seven years ahead to 1980, we find that an individual receiving \$90 a month presently will be receiving \$250. A disabled individual presently receiving \$115 will be receiving \$225. A widow under the age of 65 receiving \$71 will then be receiving \$135, and a widow over the age of 65 receiving \$69 will be getting \$120. These figures represent a doubling of current benefits within seven years.

I share with other members of the House a desire to see the programs for our senior citizens still further improved. But I also think members who sit on all sides of the House should compliment the minister responsible for bringing in this bill, with all the increased advantages it will mean for those who so greatly need them.

Mr. Dan Hollands (Pembina): Mr. Speaker, I am sure many people in Canada will be happy to see this amendment to the Canada Pension Plan. Many older people, through no fault of their own, are in financial trouble today. In the past year we have seen a more rapid rise in the cost of living than we have ever seen before. This is the essence of the times in which we are living. It has certainly hit the older person much harder than anyone else.

There are one or two changes still to be made to the Canada Pension Plan. I am concerned about the fact that one must earn at least \$6,600 a year before being eligible to contribute to the plan. A large number of people are excluded from benefits in consequence. I suppose the largest group would be that which includes the farmers. Over the last five or six years, through no fault of their own, they have been forced, as a result of depressed markets for their livestock and grain, into an extremely difficult financial situation. Indeed, many of them are only able to