

Canada Pension Plan

in a way which could be at cross purposes with the investment policies of the federal government aimed at influencing the entire economy on a national basis. However, because of the present freedom of the provinces to borrow for their own purposes, this possibility already exists and would continue to exist even if a portion of the Canada pension plan fund was not available to them.

I for one feel that the trends of economics, social welfare and technology call for the continued existence of a strong federal government capable of dealing with these matters on a national basis in the interests of all Canadians, and I certainly do not rule out the possibility of constitutional changes to enable our federal government to carry out effectively the role required of it by existing and future circumstances. However, so long as our country continues to be of a federal nature a certain portion of the central government's efforts to deal with the economy on a national basis will have to be made through the continuing use of improved techniques of consultation and discussion with the provinces. The proper use of these techniques through bodies such as the economic council of Canada and a federal secretariat for federal-provincial affairs will enable a cohesiveness in economic and social policies to develop and exist in such a way that we should be able largely to eliminate this risk that the federal government will not be able to act effectively as required to maintain the national economy at a high level.

Fears have also been expressed that the plan would remove savings otherwise available for private investment; but I think it has been made clear that in other countries where similar social welfare plans have been in existence there have not been declining rates of private savings. It cannot be overlooked that the money paid out in pension benefits will be quickly spent on consumer goods and services; it will add to the effective demand which is needed for an active and buoyant economy. The firms that receive the money for these goods and services will thereby have it available to meet some of their own private investment needs. As the *Windsor Star* put it in an editorial in its edition of November 11:

It is not by chance that the countries with the most advanced social security systems generally are also the most prosperous and with the highest standards of living. These two facts are associated.

Money spent on social security measures does not disappear; it quickly and continuously is placed back in the economic bloodstream of the country.

I think the same can be applied to what happens to money invested as social capital. Also the Canada pension plan will help workers to meet the possible threat of displacement by automation in several important ways. Since the pensions will be completely portable, it will be easier for workers to seek out new job opportunities wherever they may be, and it will make it easier for employers to hire employees who may be close to but not yet of pensionable age. Also by making it possible to take a pension between the ages of 65 and 70 it will in fact encourage earlier retirement, and not the reverse, thereby increasing job opportunities for younger workers.

In any event, Mr. Speaker, this Canada pension plan will enable steps to be taken for the provision of reasonable standards of income for the retired, the disabled, orphans and widows all across this country. I am therefore pleased to be able to support the second reading of this bill as a measure serving the interests of all Canadians.

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I will not be as fluent as the hon. member for Essex West (Mr. Gray) because I will not be reading my speech word for word. However, I will not take up too much of the time of the house. I am very pleased to have this chance of saying a few words on the fourth Liberal Canada pension plan. It is obvious that the government and its supporters on the other side of the house are preparing the people of Canada for an election within the next few months. It is obvious, by the travels of the treasury bench members across the country, making partisan, political speeches and attacking the one man they are afraid of, that it will not be too long before we have an election.

We know what happened in the last election campaign with regard to the promises the Liberals made; and being Liberals, they cannot change and will do the same thing in the next election campaign. But I think it is our duty to point out to the people in advance that they should not trust the promises that the Liberals are going to make. To convey this message, Mr. Speaker, I want to read from the *Victoria Daily Colonist* of March 31, 1963. This is a full page advertisement; they obviously have a lot of money. It is headed, "The policies of the Liberal party". As I say, it is a full page ad with a large number of items that the Liberal government promised to put into effect. I could spend possibly 20 minutes reading off items here that they have promised, have not fulfilled and which of