

Age of Retirement

benefit. The retirement pension was intended to provide a partial replacement of earnings lost due to retirement.

● (1742)

However, as time went on the rationale underlying the retirement and earnings tests was continually questioned and criticized. After all, why should an individual's retirement pension be reduced as a result of earnings received after retirement when the Canada Pension Plan retirement benefit is, in fact, an earned pension paid entirely from the contributions of Canadian workers and their employers? Clearly, the earnings test served as a deterrent even to part-time employment. It was argued that the decision on whether or not to remain in employment or to seek work after retirement ought to be the free choice of the individual, rather than being curtailed through artificial mechanisms such as retirement and earnings tests. For these reasons the retirement and earnings tests were removed under the authority of Chapter 4 of the Statutes of Canada for 1974-75.

Now a contributor can draw his Canada Pension Plan benefit at age 65 even if he continues to work. Moreover, he can decide not to draw his retirement pension at that age but continue to contribute for additional years, up to age 70, in order to increase the size of his benefit.

Clearly, then, while relaxing the conditions facing the Canada Pension Plan pensioners who choose to work, the amendment to the Canada Pension Plan did not in any way impose a mandatory retirement age of 65 on the Canadian public. On the contrary, by removing financial penalties it served to encourage those aged 65 to 69 to remain in the active work force. I might add parenthetically that only this year the Quebec Pension Plan followed the example of the Canada Pension Plan with respect to the earnings and retirement tests.

What about the old age security program? Universal old age security pensions began in January, 1952, and provided a universal benefit to every person in Canada aged 70 or over who met the residence requirements. Whether or not the person was employed did not enter the picture then, nor does it now.

Over the years successive amendments to the legislation have increased the level of benefits, lowered the age of eligibility, and relaxed the residence requirements. The Canada Pension Plan which, as we all know, went into operation in January of 1966, provided an additional earnings related retirement pension for all who contributed. When the Canada Pension Plan was passed, amendments were made to lower the pension age under the Old Age Security Act as well as the Canada Pension Plan. It was reduced one year at a time—and we all know that story—until finally, in 1970, the pensionable age under the old age security program had been lowered to 65 years. However, even with the lowered pensionable age an individual need not cease working to receive old age security benefits. This does not enter into the determination of his eligibility.

For these reasons it would be utterly incorrect to imply that the Canada Pension Plan or the old age security program

[Mr. Stewart (Cochrane).]

compel Canadian men and women to quit the work force when they are willing to continue working. On the contrary, these two government-administered programs give concrete financial support to those Canadians who exercise their right to work.

It cannot be denied that, for some, Benjamin Franklin's famous aphorism, "There is nothing wrong with retirement as long as one doesn't allow it to interfere with one's work", is fraught with truth.

Let me expound for a moment on the long-term implications of various retirement trends that are predicted to spread across this country. It has become clear that there are problems associated with early retirement. It does not take a mathematical wizard to reach the conclusion that the younger the age at retirement—and hence the longer the expectation of life thereafter—the more severe is the impact of inflation. Too many pensioners have discovered too late that they retired too early. The adverse effect of early retirement in an inflationary environment can destroy a life-time dream of a leisurely and rewarding retirement. It is for this reason that the Canada Pension Plan and old age security benefits are indexed to the cost of living.

In addition, if the predilection for an even lower retirement age gains widespread popularity, some experts foresee fiscal difficulties for the next generation of Canadians as the tidal wave of the so-called baby boom causes a flood of people to reach pensionable age at the same time. Within the lifetime of those Canadians the ratio of pensioners will double. This may result in a reversal of the current trend toward early retirement. However, there is no reason to expect that we will ever have to force people to work to a minimum age or force them to retire at some maximum age.

Hon. members must not lose sight of the fact that retirement itself is a social institution. When presented with a motion such as the one we have before us today we must first question the validity of a full cessation of work as a desirable end in itself. Even if it were within the constitutional realm of this House to do so, I cannot help but ponder aloud whether, as elected representatives of the people of this nation, we could in all good faith seek to impose legally such constraints upon the work force.

Secondly, we must weigh very carefully the import of giving any serious consideration to a proposal which could be construed as endorsing age 70 as an appropriate, normal retirement age. We must not inflict the hardship of prolonged working careers upon those Canadians who, quite rightly, feel that at age 65 they have contributed their just share to the well-being of our country and who wish to be free to spend their remaining days as their own masters.

Ideally one's later years will be years of self-realization, creativity, stimulation, development, growth and self-respect. A motion such as the one we have before us today will bring us no closer to assisting Canadians to attain this objective. It might, however, impede us and them.

Mr. Max Saltzman (Waterloo-Cambridge): Mr. Speaker, first I should like to congratulate the hon. member for Edmon-