

Canada Pension Plan

on the fund amounts to more than \$800 million, give or take the odd million dollars. It is estimated there will be 1,600,000 people in receipt of old age security benefits by 1970 when these proposed amendments become fully operative.

I should like the minister to indicate to the committee how many more people will qualify over the next five years for this progressive increase in old age security payments and what the annual increase in cost is likely to be. It is likely to represent a substantial bill. The minister spoke of an additional \$390 million. This is a far cry from the somewhat casual estimate of an additional \$180 million which we used to hear. It is true the figure may be around \$200 million, because of the changes to be made in the Income Tax Act postponing the exemption for persons over the age of 65, and as a result of the gradual elimination of old age assistance. All this is predicated, I would assume, on the age groups as they stand today. It does not take into account the increasing tendency of people in this country to live longer.

What will be the effect on the labour market in this country? Is this move designed to continue to remove persons from the regular work force at the age of 65 and not make them available for what one might call the casual work force? I referred earlier to this paradox, in that the government plan to change the old age security legislation so as to induce people to retire at the age of 65 is in conflict with at least one philosophy of geriatrics. I think we can indulge in a good deal of speculation on this subject and I can see that these things may be difficult to forecast; it is hard to say just what will be the effect of this doctrine on the desire of Canadian people either to continue to work beyond the age of 65 or to accept retirement. After all, by receiving an old age security pension at 65 with a reduced pension under a private scheme or under the Canada pension plan, how persons will be induced to stop working and retire at 65, I do not know.

It seems to me that in essence these changes to the Old Age Security Act will operate to negate the deterrent which was built into the Canada pension plan. I recognize the validity of a deterrent, but there may be a question as to how restrictive that deterrent may be. The government insist on \$900, but I would suggest that there is surely a conflict of principles involved here and that the government has obviously decided it prefers to overcome the deterrent in the Canada pension plan by the introduction of this increase in

old age security. I point out these what appear to me to be conflicts in thinking, because they are inherent in the two moves which have been proposed by the government.

The minister also referred to the introduction of the cost of living index. A good deal has been written and said, in this connection, about some of the difficulties which may arise in controlling inflation in the country, and to me this still represents a built-in time bomb within the Canada pension plan. With its further introduction now into the Old Age Security Act I would say there is an almost irresistible precedent which is being set with regard to many other welfare measures. In another category, it would appeal to some to introduce it into government annuities. I do not consider the Canada pension plan as in the nature of a welfare plan, but it might be called a social welfare plan. Thus it will become irresistible as the years go on to apply this principle to other plans, and will once again contribute to a form of auctioneering in social welfare as elections come upon us. It is not only the government of Canada which is involved in this but the provinces too, and there will be this tendency just before elections to, shall we say, sugar some type of pill by announcing increases in social welfare benefits.

There are others of my colleagues, Mr. Chairman, who wish to speak and undoubtedly we will have a reply from the minister or one of her ministerial colleagues to the points I have raised from a financial point of view, because I think we must know just what this is going to cost us. After all, social benefits are a cost to Canada and its economic activities. There are many who have pointed out, both in the house and outside, that there comes a point where you cannot overload the economy, and one great danger is that we will siphon off from our gross national product far too much from the point of view of social welfare in order to permit us to accumulate the necessary savings for economic expansion. I admit not all would be lost, but these savings which will be available for economic development are being progressively reduced, and in essence are running counter to the policies encouraged by the Minister of Finance. In addition, naturally it makes it much more difficult for us to compete on an already very competitive international market, although I will not go into the problems we are facing in that regard.

I see the clock is catching up with me, Mr. Chairman, and I am going to limit my remarks. I hope we will get as full an explana-