

I have listened all afternoon and this evening and have read the debates of yesterday in respect of this bill. It seems to me that there are a number of recurring themes, with variations, which seem to enjoy the support of members from all parties. I certainly hope because of the widespread support for three points I will make that the minister will become convinced there is a substantial sentiment for these reforms on all benches of the House.

Perhaps in summary I might mention the three things we should be thinking about in terms of improvement to the Canada Pension Plan, and then I will try to elaborate as fully as time will allow on each item. The first item which seems to keep recurring is that we should be broadening the base of publicly-funded pensions, specifically the Canada Pension Plan, so that much larger benefits will result to the public from this broadened base. I shall go into some details about this later, but it seems to be one of the things which keeps recurring.

A number of members have touched on the second point. We should be moving toward a voluntary earlier retirement option for Canadian workers. A number of members have spoken very eloquently on the fact that we have been lowering the demand in terms of the number of years necessary to qualify for such things as the old age pension, and have asked whether we should be thinking about lowering the age in terms of the Canada Pension Plan perhaps year by year down to age 60 depending upon the resources of the country, our economic situation and the priorities of the government in respect of welfare benefits.

We know there has been much argument concerning whether this is a welfare scheme, or an insurance scheme, or some bastard mixture of both. I think perhaps the third definition might be more suitable. The third point which I think keeps coming up is that we should be adopting legislation that would permit reciprocal survivor benefits for spouses regardless whether the spouse is male or female. I know there is some interest in this particular topic, certainly by the minister because he has indicated that this is an area in which he would like to have a certain indication of support in order that he may proceed with a broadened or more important piece of legislation than presently exists.

● (2140)

In dealing with the first point having to do with broadening the base of all publicly-funded pension plans, I should like to congratulate the minister, as other members of the House have done, for the improvements he has made. There is no doubt about it, he has exhibited great leadership in this area. The fact that the pension will reflect the cost of living rather than having a 2 per cent ceiling is certainly a recognition of the justice of that move. I think it is in keeping with the other amendments we have made to such measures as old age security and the guaranteed income supplement in recent weeks.

The fact that these benefits will be made retroactive to 1967, bringing retroactive catch-up benefits of 8 per cent to 20 per cent is a step in the right direction. No one can quarrel with that. After all, you cannot shoot Santa Claus. Certainly, the raising of the yearly maximum pensionable earnings from the current \$5,600 to ultimately \$7,400 is also a step in the right direction. But here is a point I

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should like to make, because the minister has indicated that this \$5,600, or \$5,900, if you talk about the Quebec Pension Plan, to \$6,600 is roughly 12½ per cent and the increase from \$6,600 to \$7,400 is again roughly 12½ per cent. I believe the minister indicated that he is considering increases at the rate of 12½ per cent in the future.

My question—and I think it is crucial in terms of my own motivation, my own value system and judgment—is: how long does the minister intend to continue doing this, because if this is to be a yearly move, the Canada Pension Plan, instead of being a supplementary plan to a plan that will pay much larger benefits, perhaps even up to 75 per cent rather than 25 per cent, moving up to 50 per cent, will be the basic plan; and then I think it is a step in the right direction and I urge the minister to take that step. But the minister has not given us a clear indication. Perhaps he will be able to do so when he consults the provinces. Perhaps he will be able to tell us how long he intends to keep pumping this plan by 12½ per cent a year. If he intends to do this for the next few years, I will certainly give him my support. I am certain that this will be explained in more detail in the next bill which will form part of this package of CPP amending bills which we have before us, have had before and will have before us.

I hope this 12½ per cent will apply for a number of years to come, because it will help to bring about the first point that I made in terms of larger benefits. The CPP, as I have said earlier, has always been considered as a supplementary plan. Now, even under the minister's old amendments, we can expect that the benefits will be raised only to a maximum of 50 per cent of whatever the average earnings were for the last three years. What I am concerned about is why we as legislators should always be content to consider the CPP as a supplementary pension plan. Why are we doing this?

The hon. member for Laurier made some excellent suggestions in terms of making private pension plans more responsive and more helpful, making them portable—a central clearing house. I think his suggestions are worth while if what we are interested in is improving private plans. I happen to be of the conviction or, if you like, have the philosophical prejudice that a goodly number of private plans are used by companies for their own ends. I have made references to this before in the House, but there are a number of disadvantages in certain private plans. Often the funds from the private pension plans are used as a cheap form of loan capital by the companies to lend, in turn, to themselves at a rate set by the companies, which is not always a competitive rate in the outside world.

Let us consider for a moment the CN pension funds. There are many millions of dollars in the CN pension plan. They are lent to investors, frequently at competitive rates of roughly 8 per cent to 11 per cent, depending on the month. But the CN's only obligation is 3 per cent in terms of earnings. Therefore, anything extra earned by that pension fund goes to the benefit of CNR. Further, frequently in these private pension plans, in spite of the fact that the bulk of the money in those plans is put forward as contributions by the employees, there are no employee representatives on the board of management.