

Canada Pension Plan

the number of dollars one was making at the age of 18, 25 or 30; it is adjusted by the rise in the wage level, in other words, the rise in the standard of living. That carries through CPP right up to the point of retirement, but come the point of retirement and the poor retired person has to fall back on an index based on the cost of living increase, not on the wage increase.

If we accept the civilized proposition that people at retirement should continue to enjoy the standard of living they have helped to build, I submit that the escalation after retirement, like the escalation of the formula before retirement, should be geared not to the cost of living but to the standard of living.

There are two or three ways in which this can be done. One is to gear it to the wage index; another is to gear it to the gross national product. But to go on for ever leaving it geared to the cost of living index, I submit, is a form of discrimination against those previously retired, and this applies to those who are retired today and it will apply in 1980 to those who will retire in 1978 or 1979.

So I call on the minister to take this part of the whole matter back to the task force, back to his department, and see if they cannot come up with a post retirement escalation formula that is as good as the pre retirement formula. This is not the first time I have proposed this. I argued this at length when we were in the special committee back in 1964 and 1965. In those days we had to settle for a post retirement escalation of only 2 per cent a year. Thank heavens we went beyond that. We now have it on the cost of living and we have it on the actual amount. But, as I have often pointed out, that is not satisfactory because it is always behind. The index one gets in January is based on the increase in August, September and October as compared with the three months previous thereto. It is always behind the price increases that pensioners are having to pay, and, as the hon. member for Hillsborough says, it is an escalation of a base which, to begin with, was too low.

So I say that the last word has not been said in this legislation, regarding escalation. It was good to get it beyond 2 per cent. It is not good enough, however, to leave it where it is. I plead again that the government and the department have in their legislation, in the way they escalate prior to retirement, a basis that they could use advantageously after the time of retirement. So I urge, Mr. Speaker, that escalation after retirement be geared not just to the cost of living but that it be geared to the wage index or the gross national product, so that our people who are members of the Canadian family will be able to enjoy the standard of living that they helped to build, after they retire.

● (2130)

I am coming near the end of what I want to say but I should like to put in another plug about old age security. The minister had a bit to say about the flat rate component and other benefits. I understand the thinking there, but is it not a fact that as time goes on the old age security in more and more cases becomes a flat rate component in the pensioner's total benefit? Just as a disabled person gets a flat rate plus a certain percentage so the average

retired person will have an old age security flat rate payment and the Canada Pension payment on top.

I want to make again the argument that we move more in the direction of equality and fairness if we keep on raising what I now call the flat rate component, in other words, keep on raising old age security. I noticed that when the minister gave his figures about what pensions would be in the future he included old age security. He left the door open for larger amounts. You just do not assume that old age security will stay at \$100. I can tell him it had better not stay there.

Mr. Lalonde: It is not there now.

Mr. Knowles (Winnipeg North Centre): The minister says it is not there now. True, it has gone up now to \$110.09 per month but the difficulty is just that bit of lethargy that the minister revealed right there. It has not stayed at \$100, it has gone up and he does not have to do anything! It could go up every three months, but not by the kind of amount that is necessary to put our retired people in the position where they are enjoying a standard of living that they helped get. I think substantial increases are still called for in the basic amount of the old age pension. It is a method to follow so far as wives are concerned, but it is also a method to follow so far as fairness across the board is concerned.

When the minister made it clear that he was making a rather full speech tonight I had thought that he would deal with some of the newspaper editorial attacks that have been made recently on the Canada Pension Plan. I was looking forward to that. After it was all over I decided I was just as glad that he did not pay any attention to them. Maybe I should do the same, but I will take a moment or two to say that most of those attacks on programs like the Canada Pension Plan, old age security or transfer payments, come from persons or editorial writers or interests that just do not like the concept of equality.

I know it is true that as pensions go up they play their part in inflation and they play their part in rising costs, so that \$110.09 per month is not worth as much as \$100 a month was six months ago. But to the extent that we put more payments that are based on equality in the hands or pockets of our people, we build a more just, a more human and a more decent society.

It is in the area of family allowances where we have universal payments, it is in the area of our people aged 65 and over where we have universal old age security, that we come closest in my view to establishing social justice. I think this can be pursued still further by a substantial increase in the basic old age pension, say up to \$200 a month this year, and by further improvements that are still in prospect with respect to the Canada Pension Plan.

Mr. Speaker, I conclude by saying two things that may sound opposite but are both true. I am excited, I am proud of what I have seen accomplished in the parliament of Canada in the last several decades in the pension field. I well remember what it was when I came here—\$20 a month at age 70 with a means test and no family allowance. We have come a long way. It is good; it is exciting; Canada can be proud of what we have done. But we still