

Canada Pension Plan

Mr. Benson: Mr. Chairman, the hon. member for Comox-Alberni raised an entirely different question from the Canada pension plan when dealing with the matter of government annuities, which of course come under the purview of the Minister of Labour. For that reason, Mr. Chairman, I could not comment on that matter when dealing with this particular legislation.

Mr. Barnett: Mr. Chairman, I appreciate that the Minister of National Revenue may not be familiar with all the details of the operation of the Department of Labour, and I appreciate that he would not want to speak in detail for the Minister of Labour. But I am asking him, as the spokesman of the government—and we hear quite a bit about the principle of cabinet solidarity—whether the government is giving some consideration to this question. The Minister of Labour is only one member of the government, and presumably he is bound by the decisions that are made by the government. I was not asking the minister to talk about the ideas of the Minister of Labour.

Mr. Benson: Mr. Chairman, I would be pleased to bring the hon. member's representations to the attention of the Minister of Labour; but I think it would be quite improper for me to comment on a matter of government policy falling under his particular ministry when we are dealing with a piece of legislation which really has nothing to do with the annuities legislation as such.

Mr. Barnett: I will not pursue the matter further with the Minister of National Revenue, Mr. Chairman. I think it should be quite obvious that this is a question which at the appropriate time we may be asking the Minister of Labour to speak about on behalf of the government. I am merely suggesting that in my view this is something which the government as such should take into consideration.

Mr. Lambert: Mr. Chairman, there are just a few remarks I should like to make with regard to this inclusion of a cost index; in fact, any wage index. The principle has been recognized with the introduction of this legislation. The next extension, of course, is to social security; and then, where do you stop? The pressure will be on to tie it in to every type of pension or allowance payable out of the public purse.

Mr. Chatterton: And government bonds.

Mr. Lambert: I cannot conceive of any more dangerous source of a wage-price spiral

being built into our whole economy than this general acceptance of the principle. As a matter of fact, I would have thought that this matter would have been approached with the greatest hesitation. After all, in our neighbour country to the south the President has been exhorting business and government to keep a lid on anything that would tend to create a wage-price spiral, that is, not only wages, but profits and everything else. And that has been done with some success.

We have also seen these exhortations in the United Kingdom. As a matter of fact, it is only within the last fortnight that the O.E.C.D. in their examination of the Canadian economy made very pointed remarks to the effect that Canada must devote attention to keeping a lid on a wage-price spiral. Yet if the Minister of Finance pays any attention to this there will be a complete negation of this principle by the introduction of this concept into this plan. It seems that is admitted. Certainly our friends to the left of me will quite blithely endorse anything which may boost payments out without any regard at all to the level of payments in. This has been the history all the way along. The money will come from somewhere, but not from those who are going in the end to get it. The government itself has also blithely stepped into the picture. At this time I should like to sound a word of warning that we may be planting an economic bomb in the innards of our economy through these particular features of the plan.

Mr. Munro: Mr. Chairman, I was interested to hear the remarks of the hon. member for Edmonton West, but I think I should point out that many witnesses before the committee expressed opinions on the subject of inflation and whether it was the result of tying pensions to a consumer price index. There was a good deal of disagreement. Mr. Anderson, although he appeared in his own personal capacity, was president of a life insurance company in this country. He indicated that he did not have the time of day for this contention, that by tying pensions to a consumer price index any inflationary effect was created. He just felt that that was a ludicrous argument which should not be pursued. He argued, as has been argued here, that they should be tied to an earnings index, which would not only include rising prices as an element thereof but would also reflect rising productivity in the nation.