

Canada Pension Plan (No. 2)

other benefit available to these people. In the near future I should like to see a move to provide that in the case of a dependent spouse of a person retiring, the couple will be in a position to receive the full guaranteed income supplement.

I am not aware of the total cost of such a program, but anyone receiving the guaranteed income supplement receives it on the basis of a means test or because there is real need. It would seem that many people would not qualify for this, and often in a case where the husband and wife differ in age by only a year or two it would be payable only for a couple of years. Perhaps we could consider moving the age to 60 or even 55 in the near future.

There would seem to be a real need that this bill pass and become effective on January 1 because of the benefit it will provide to recipients under the Canada Pension Plan due to the impact of inflation and rising costs. The bill will raise the yearly maximum pensionable earnings to \$6,600 in 1974 and to \$7,400 in 1975. As the minister indicated in his speech last night, in the near future another bill will be brought forward which will increase this figure at an annual rate of 12½ per cent per year until it reaches the average earnings of Canadian industrial workers.

The bill removes the 2 per cent ceiling on escalation of benefits to compensate for the rise in the cost of living. This is tied to the consumer price index. It is likewise proposed that the purchasing power which has been lost due to inflation since 1967, when the benefits first started being received, would be restored by having a catch-up clause in the bill so that a person who started receiving benefits in 1967 will receive a 20 per cent increase as of January 1, 1974. Those who started receiving benefits in 1973 will only have an 8 per cent increase. There will also be an increase in exempted earnings from \$600 to \$700 a year.

I understand that in the future the minister will be introducing a bill to reduce the present 12 per cent increase in this regard to 10 per cent. It seems to me this provision is very important because this amount should reflect escalating costs in the country, and the casual worker who works for a week or two in a year does not want to have to contribute to a fund if he will not be eligible to receive benefits from it.

● (2020)

It is my understanding that the earnings test, likewise, which was agreed to between the provincial governments and the federal government will be removed for persons between the age of 65 and 69. However, that provision is not incorporated in this bill but will be contained in the next bill which the minister indicated will be brought forward in the near future. I know a person in this age group who is 67 or 68 years of age and who was working at a job. He was receiving a rather low income and would have been better off receiving the guaranteed income supplement. However, he wanted the feeling of dignity, of being able to pay his own way, that working at this part-time job gave him. Yet he was penalized because he could not receive the benefit.

So that feature, when it is brought forward in the next bill, will be most important. I think the present measure is a disincentive for people in this age group. We want to see those of our senior citizens who are well enough, able to go out to work and be active. They have a great deal of experience and knowledge and should be contributing in a way in which they want to contribute. Therefore I welcome that change.

It is interesting to note that the changes in the bill before us will increase the maximum benefit from \$90 a month this December to \$134 a month by 1975, a period of only two years but a 50 per cent increase in benefit. It is projected that by the end of this decade the benefit will reach \$250 a month. Likewise, there are increases in the benefits for orphans of some 20 per cent, in widows' pensions, disability pensions and disabled widowers benefits.

Therefore it seems to me we do have before us tonight an important bill that will bring a great deal of benefit as of January 1, 1974, to 500,000 Canadians receiving benefit, and to all of us when we retire.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, I appreciate the opportunity tonight of making a few comments on the bill that is presently before us, for we realize that a number of fundamental issues are dealt with in the bill under discussion. The minister has indicated that this bill will be followed by another measure designed to take care of several other matters, perhaps of lesser urgency than these. We are looking forward to seeing that bill as well because, putting them all together, we trust they will result in improvements in the operation of benefits of the Canada Pension Plan that will be shared by Canadians across the country.

May I say at the outset that I appreciate the problems that are faced by the government in its attempt to negotiate satisfactory solutions to income security problems with the ten provinces in view of the fact that such a high degree of accord is necessary before any premiums can be introduced. We are given to understand that the bill now before us is the result of a long period of negotiation between the federal government and the ten provincial ministers of health and welfare across the nation.

The two measures which we are asked to approve are, to say the least, long overdue. I would refer hon. members to *Hansard* for March 23, 1972, when my colleague, the hon. member for Simcoe (Mr. Rynard), moved a motion of non-confidence in the government over its failure to do the following:

contribute to pensions allowances and other benefits... a yearly percentage increase corresponding to the percentage increase in the consumer price index for Canada.

Of course, the government voted against that motion. Perhaps this is understandable; nevertheless, they did refuse to accept the suggestion that the measure they are now bringing forth and the provisions they are now introducing were in order at that time. However, since that time—especially since October 30, 1972—the government, for some not so strange reason, has become somewhat more sympathetic to the needs of pensioners in general across Canada.