

Canada Pension Plan (No. 2)

provide for a disability income as well as survivors' benefits, perhaps there is no longer such a great need, if there ever was, for the private insurance industry. If we could achieve some form of public ownership of the private insurance industry, plus some of its liquid assets, with or without compensation—I think insurance companies have been well compensated for their efforts over the years—we could develop a rather important social and economic instrument in this country which would bring benefits to everybody except, perhaps, private insurance companies.

● (1540)

I would like to close by congratulating the minister on his progress. Some significantly progressive steps have been taken in the legislation he has presented. Naturally, the usual comments by opposition speakers on a government bill that goes part way to meeting their desires can be summed up in the phrases, "What took you so long?" and, "Why didn't you go further?" I congratulate the minister on his courage. He told me that he never really thinks about a pension plan for himself. Maybe he feels he will live forever, or perhaps he has independent means to take care of his own security. But I would like to remind him that, progressive as he is, the people all across Canada are away ahead of him.

Mr. Speaker: Order, please. I am informed that there have been consultations between representatives of the parties and that the hon. member for Winnipeg North (Mr. Orlikow) might be recognized at this point ahead of the hon. member who might otherwise be recognized by the Chair. On this understanding, the hon. member for Winnipeg North is recognized.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I thank hon. members for their courtesy, since I have a speaking engagement to fulfil elsewhere. I begin by congratulating the minister on the improvements to the Canada Pension Plan which this bill will permit. We in this party approve of the removal of the maximum annual increase of 2 per cent which was a provision in the Canada Pension Plan Act when it was first adopted. We opposed that provision at the time. We believe that the proposal in this bill, to allow benefits to increase annually by an amount that will take into account the full increase in the cost of living, is a substantial improvement.

We also support the provision which increases the level of income on which pension contributions are calculated and on which basis pensions will be paid. I am happy that those who now receive Canada Pension Plan benefits will have their monthly payments increased by between 8 per cent and 20 per cent. This is long overdue in view of the sharp increases in the cost of living during the past few years.

However, I suggest to the minister that what he has done does not go far enough. This bill proposes that we accept the idea that the present payments made to Canada Pension Plan beneficiaries are fair and are in fact a permanent feature of the plan. If we say that the benefits received by people will increase only by an amount equal to the actual increase in the cost of living, then we tie their benefits to the present scale. I suggest that we ought to increase the benefits annually, not by the increase in

[Mr. Rose.]

the consumer price index but by the increase in the actual growth of the gross national product, adjusted of course to take into account the increase caused by inflation. Today I do not have the time to put the figures on the record, but I suggest that if this were done, over a period of time benefits would be substantially more than is the case simply by providing an increase to meet the rising cost of living.

When we discuss the effects of the Canada Pension Plan we must look not just at the Canada Pension Plan itself but at the total package which is available for people who retire. That includes what they get under the old age pension legislation, from the Canada Pension Plan and also from the private pension plans to which they contributed while they worked. We then realize that when we passed the Canada Pension Benefits Standards Act some years ago, which put certain floors under the provisions of the private pension plans, we did not go far enough.

Let me deal briefly with some of the difficulties which we still have. I am not unhappy that we have federal legislation for people who work in industries which come under the jurisdiction of the federal government and that we have similar legislation in four provinces. I am sorry that the other six provinces, including my own province of Manitoba, have not yet passed similar or better legislation. But there is much lacking in the legislation that we passed. What are the defects in private pension plans which still contribute substantially to the well-being of most Canadian citizens when they retire? First of all, private plans are in the main devoid of portability. We are living in an age in which people experience a great deal of mobility. People change jobs voluntarily, people quit because they are sick, people are laid off because of reductions in the working staff, because of automation, and so on—and when they do, even under the best plans they suffer a great deal.

Until the passage of the Canada Pension Benefits Standards Act, under the CPR pension plan the rule was that if a person had not worked 30 years for the company, was not 55 years of age and had left voluntarily, for instance if he were sick, then all he got from the CPR was the exact amount he had paid into its pension plan. He did not get a penny of the interest which his contributions had earned, and he did not get a cent of the money which the CPR should have been putting into the pension plan on his behalf as its share of the contributions.

That is the kind of thing which is wrong with many pension plans. At age 35, 40 or 45, when a worker gets a lump sum repayment of money which he has contributed to a pension plan, he may find it advisable to use it as a down payment on a house, or to buy a car or something else. But the story is different at age 65 when it is time for a worker to retire. I suggest we must introduce legislation to provide for portability. Some companies have begun to do something about this question. The CNR has made an arrangement with the government so that a railway employee can take his pension credits with him if he leaves the CNR and goes to work for the federal government.