

Canada Pension Plan

salaries and wages amounted to \$23.44 in 1939 and \$83.41 in 1963. If you look at those four columns and take that period of time from 1939 to 1963, you find that the index that has moved the least is the consumer price index. It has gone up about 100 per cent; in other words, it has doubled. But wages and salaries have gone up $3\frac{1}{2}$ times. The gross national product has gone up about eight times. The gross national product, on a per capita basis, has gone up about $4\frac{1}{2}$ times.

With wages and salaries going up like that, with the gross national product going up like that, and with the economy of the country generally advancing, I do not think it is good enough for us, in regard to our old people, to escalate their pensions—to index their pensions, if I may use the jargon that we learned in the committee—by using the slowest moving index. I am glad the government has accepted the indexing principle and I hope the Conservative party will go along with it. Why don't we use the best index, while we are at it?

Mr. Barnett: Mr. Chairman, I would first of all like to express my own endorsement of the remarks just made by the hon. member for Winnipeg North Centre. I am sure no one in the committee will be surprised at my saying that. I listened with interest a little earlier to the remarks of the hon. member for Parry Sound-Muskoka. I thought I detected a slight note of concern on his part that this idea of indexing might be catching in the field of private pensions, and so on. Quite frankly, Mr. Chairman, as far as I am concerned I hope it is catching. I think it would be a wonderful thing for those who are going to be looking for supplementary pension plans, over and above the benefits provided by this proposed plan, if they were able to secure pension arrangements based on this same principle or some variation of it.

However, I am not going to suggest that I feel the government of Canada, or parliament for that matter, should at the moment take any particular action or initiative in this direction. But, Mr. Chairman, I do feel that there are one or two places where the government and parliament should be looking into the question of how, and in what way, this principle can be applied in certain directions where other, existing pension retirement plans have already come into being under the auspices of parliament and the federal government.

I am going to mention one of them in particular, and that is the operation of the

[Mr. Knowles.]

annuities branch, which I think I am correct in saying comes under the authority of the Minister of Labour. This is a plan which has been in effect for many years and which has been painted sometimes in rather glowing colours as a method by which the people of Canada could make provision for their old age. I may say that the idea is already catching on, with respect to the operation of government annuities, as far as some of my constituents are concerned. I refer to people who have become involved over the years in the purchase of government annuities. I certainly would like to know, while we are discussing this clause, what consideration, if any, the government is giving to making some provision for those who have put money into the annuities branch to enjoy some of the advantages that are proposed in the Canada pension plan. Has any thought been given to some form of melding or incorporation of the operation of the annuities branch within the framework of the Canada pension plan, so that the people who have in good faith used this as a means for making a modest provision for their retirement years can have the advantages of the principle which is now being proposed in the Canada pension plan?

I may say that I am still finding it a little difficult to believe that this principle is actually being proposed in a measure introduced by a Liberal government, because it is only a few short years ago, when I was in this house and a Liberal administration was sitting over there, that anybody from this quarter of the house who rose and suggested that this idea be developed was told that he had holes in his head and that this was an actuarial impossibility; it was something that could never happen even in one's wildest dreams, or nightmares.

An hon. Member: What about superannuated civil servants?

Mr. Barnett: I am expecting the hon. member for Winnipeg North Centre to raise the question of superannuated civil servants. I am confining my remarks at the moment to the question of the operation of the government annuities branch. I am quite certain that if some consideration were given to this question, something could be done to deal with this obvious disparity; that is to say, in dealing with the situation of those who will be coming into the Canada pension plan and who in good faith have already put money and savings into the government annuities plan.