

Canada Pension Plan (No. 2)

Those who happen to be working are earning or seeking to earn not just enough to cope with the rise in the cost of living; they are earning or seeking to earn enough to enjoy the rise in the standard of living. I contend that that is a right which belongs to our retired people as well. This is not the end of the story, important though it is to get all pensions to the point where they escalate by the full rise in the cost of living.

I do not detract one iota from the congratulations which the minister deserves for having brought us to this point. Let him, let the government, let this House and let the country know that there is an even greater battle yet to be won, that of escalating pensions by the full rise in the standard of living so that our older and retired people will be part of our total society, our total community, and not segregated into a group which has to do with less than those who are still working. As I say, we welcome most warmly the step which has been taken. The House will hear further from us about the crusade that must yet be carried on.

We also welcome the increases that are now proposed in the yearly maximum pensionable earnings, the YMPE, and the consequent adjustment that will take place in the yearly basic exemption, the YBE. This piece of legislation is as full of alphabetic symbols as American life was in the days of F.D.R. In particular, the raising of the YMPE to \$6,600 in 1974 and to \$7,400 in 1975 will, as the minister says, put us on the road toward an YMPE that is closer than is now the case to the average earnings of our people. Surely, if a pension plan is to be really worthwhile, it should be based on average earnings and not on just a small portion of those earnings. I will have something to say about this later when I come to the things that I want to propose to improve the bill further. At the moment I simply say that we welcome these increases. I thank the minister for explaining how we get to the figure of \$6,600 for 1974 and to that of \$7,400 for 1975.

• (2100)

I look forward to that other bill yet to come which will put a formula into the act so that we will know several years in advance what is going to happen to the YMPE. When we use these alphabetical phrases, some may wonder what this is all about. Even when one turns YMPE into yearly maximum pensionable earnings, one may wonder what is the significance of that.

The minister pointed out that this represents the level upon which employees may make their 1.8 per cent contribution, which is matched by the employer. However, even more important, it is the figure that determines the maximum pension a person can get at the time of retirement. After all, the maximum pension one can get out of the Canada Pension Plan is a 25 per cent factor of what one's earnings have been through his career, escalated by the formula that is in the act. The higher we get the level of earnings on which one can contribute the 1.8 per cent, the higher is the pension prospect at the end of the road. I hope to see this go up quite a bit yet, but I will come to that later in my remarks.

The minister has also done a service by telling us about the details in the act. The arrangements and the special clauses in the bill, under which anyone who starts draw-

ing a pension or benefit under this act during the year 1973 will get the benefit of the full escalation, are excellent.

I have examined the bill with a fine toothcomb. As an opposition member it is my duty to see whether anything has been missed in terms of these details. As far as I can ascertain, a pretty good job has been done. This bill, considering the extent to which it goes, is welcomed by us. Like the hon. member for Hillsborough, I can say to the minister that he need not look for much trouble in getting this bill through. Of course, if he wants to look for trouble the way he can do that is by stalling the bringing in of the other bill. We will be glad to get this bill out of the way so the other one can be brought in.

After all these words of praise and welcome that both the hon. member for Hillsborough and I have given to the minister, we had better watch out or some people will be asking us if we are still members of the opposition. Accordingly, I move on to express regret that some of the things the minister promised are not in the bill before us. Some very important matters do not seem to be in prospect very soon.

I am glad to know the minister has the agreement of the provinces to remove the work test or the earnings from employment test from the Canada Pension Plan with regard to those who are between the ages of 65 and 69. As the hon. member for Hillsborough said in his delightful way, what is the logic of discouraging people between 65 and 70 from working and then encouraging them to work when they are between the ages of 70 and 99? I do not know why anyone who looks as much like a Father of Confederation as he does stopped there.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): There may have been some sense to that work test at age 65 when the Canada Pension Plan was first brought in, but there is certainly no sense to it now. If the minister has the agreement of the provinces to remove the work test, I do not know why it is not in this bill. If he is holding it back as a bargaining piece, he might say so. I do not think he needs to do that. He is getting along very well with the provinces. If it was agreed to, why is it not in this bill? If we can persuade him to put it in when the bill is in committee, that would be a good idea.

Let me say quite frankly that one of the reasons I am glad to see the work test removed for those between age 65 and 69 is that I feel very strongly, as I have argued many times, that the time has come to lower the eligible age, both for old age security and the Canada Pension Plan, to age 60. In advocating that, I have said many times that I am prepared for it to be done on a voluntary basis. In other words, the only people who should draw old age security and Canada Pension Plan benefits at age 60 should be those who are out of the labour market. One of the reasons I am glad to see the work test removed between ages 65 and 69 is now, that we know how it works, it can be applied instead to those between 60 and 64.

Whether that precise test is applied or not, the point I wish to make in this connection is that I press upon the minister tonight, as I have pressed on him in every speech

[Mr. Knowles (Winnipeg North Centre).]