



The Bark

Summer 2015

Harold Neth, Editor

News & Events

- September 5 – [International Day of Charity](#)
- September 7 – [Labour Day](#)
- September 8 – [International Literacy Day](#)
- September 15 – [International Day of Democracy](#)
- September 21 – [International Day of Peace](#)
- October – [Healthy Workplace Month](#) Canada
- October 1 – [International Day of Older Persons](#)
- October 5 – [United Nations' World Teachers' Day](#)
- October 7 – [World Habitat Day](#)
- October 11-18 – [Coop Week](#) (Canada)
- October 11 – [International Day of the Girl Child](#)
- October 16 – [World Food Day](#)
- October 17 – [International Day for the Eradication of Poverty](#)
- October 24 – [United Nations Day](#)
- November 16 – [International Day for Tolerance](#)
- November 20 - [Universal Children's Day](#)
- November 20-22 - [Parkland Institute Conference](#)
- November 25 – [International Day for the Elimination of Violence Against Women](#)
- November 29 – [International Day of Solidarity with the Palestinian People](#)

Canada Pension Plan and Trade Unions

Mr. Finkel has written many articles and books on history and social policy and practice in Canada. We invited him to write several articles on topical issues related to workers and the role of unions in social policy. This article is the third of three that have been posted on the Aspen Foundation website as well.

From its earliest days, the trade union movement in Canada petitioned governments to provide pensions for older Canadians. Few workers earned enough to save for retirement; they were forced to work until their deaths, to live off relatives, or to end their lives in shabby poorhouses established by the state or charities.

In 1926, thanks to labour pressure, the Liberal government of Mackenzie King made the first effort to establish an old-age pension. King had formed a minority government after the 1925 election and to win the votes of the two Labour MPs, he agreed to their condition that he had to implement an old-age pension program. But King was only willing to legislate a program of means-tested pensions, for which the provinces had to agree to pay half of the pension. Only the destitute over the age of 70 were eligible for a pension, and the maximum pension was twenty dollars, a poverty income.

In 1951, another Liberal government agreed to make the pension a fully federal program and to make it universal: everyone over the age of 70 would receive a pension, and the demeaning means test disappeared. But the Old Age Security pension was still set well below the poverty level. As late as 1970, 40 percent of Canadians of pension age lived in poverty.

The trade union movement called on the Canadian government to create an earnings-related pension along the lines of the American Social Security program. Such a program would involve payroll taxes for workers as well as matching contributions by both employers and governments. Private insurance companies opposed public earnings-related pensions because they believed that they would remove an incentive for working-age Canadians to enroll in voluntary private pension plans.

Labour's opportunity came when the federal Liberals won only a minority in the federal election of 1963. The Liberals had been split for decades between a reformist wing which supported new social programs and a business wing which opposed them. Generally the latter had prevailed in postwar Liberal governments. But Prime Minister Lester Pearson needed the support of the New Democratic Party, a party created in 1961 through the efforts of organized labour, to gain a parliamentary majority. The price for the NDP's support was that the Liberals implement both universal medicare and a universal earnings-related pension that would cover all workers and provide a decent retirement pension.

The Liberals only partially delivered on the pension front. They did



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implement the Canada Pension Plan in 1966, and it was indeed a program that required all employers and employees to contribute to an earnings-related pension. But they required provincial buy-in for CPP and the Ontario Progressive Conservative government, which was in league with the insurance companies, insisted that the public pension had to be modest enough so as not to deter individuals and unions from seeking private pensions. So the original Pearson proposal to set contribution levels high enough that CPP would replace 30 percent of a worker's wages when she or he retired was replaced with a modest 20 percent goal.

The trade union movement has continued to fight for improvements to CPP since it was first implemented. It argues that the combination of the earnings-related CPP and the universal Old Age Security Pension that all Canadians over retirement age receive still leaves an individual or a family in poverty if they have no other income. The poorest Canadians do receive a Guaranteed Income Security (GIS) bonus to their Old Age Security Pension but this means-tested program, like that of Mackenzie King in the 1920s, is available only to the destitute and is too minimal to pull anyone out of poverty. Currently the Canadian Labour Congress is campaigning to persuade the Canadian government to double the size of the CPP, which would allow all working Canadians to be sure of a modest, above-poverty income in their retirement years.

***This Changes Everything* - Naomi Klein - Published Oct 17, 2014**

Klein has explored connections between environmental degradation and capitalism since her first book, *No Logo*, appeared in 1999. *This Changes Everything*, argues that carbon is not the real cause of climate change; it is capitalism. She gives detailed explanation of why the climate crisis challenges us to abandon the dominant "free market" ideology, restructure the global economy, and reshape our political systems. Who benefits from the current power structures embedded in our political economy? How do we change? Watch for the movie appearing this fall!

Social Justice Learning Grants

The Aspen Foundation works to help educate young Albertans and develop citizens that are engaged in social justice and economic issues that affect workers, communities, and society. Teachers and students can apply for a grant of up to \$1500. Please go to our website, www.afle.ca, for further information and the application form or check the latest ATA school mail out. The deadline is October 5th, 2015.

At least seven Alberta schools will be selected for Social Justice Learning Projects that meet our criteria. Half of the grant will be paid when the application is approved. The balance is paid on completion of the project, and the recipient provides an accounting and evaluation report.



Your Support is key to offering Social Justice and Labour Education in our Schools!

It's friends like you who make Aspen's work possible. You too think it important that schools teach the perspective that allows for youth to change and build a new, fairer, more kind, and more just workplace, community and society,

Thank you to the unions and individuals who have already made a donation this year. If you have not yet donated, please send us your contribution. Aspen Foundation is a registered charity and provides income tax receipts to individual donors.

To donate, see our website and contact information at the bottom of this page or go to: CanadaHelps.org

Related Links & Info

- [This Changes Everything \(trailer\)](#)
- [Aspen Foundation on Facebook](#)
- [AFLE Teaching Resources](#)
- [Social Studies Council](#)
- [Public Interest Alberta](#)
- [Parkland Institute](#)
- [UN Observances](#)

Always review resources before using them in class.

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