

government pensions to those who are retired. As our population ages there will be far fewer working Canadians shouldering the cost of the benefit seniors have been promised.

In just 20 years the number of seniors will have increased by 40 per cent. At that time working Canadians will be trying to ensure their own personal security, pay staggering yearly interest rates on the debt we have run up, will still have our debt hanging around their necks like a millstone and, in addition, will be asked to pay our seniors' benefits since nothing has been saved up for that purpose.

Not only do we have an obligation to relieve them of that burden to the greatest extent possible, we should ask ourselves whether it is fair that they should be asked to carry such an onerous and unfair load on our behalf. We would be wise to see this coming and fix the problem while we still can.

Second, RPSPs would provide Canadians with much greater retirement income than do the present plans. For example, a Canadian born in 1960 would receive only \$2.60 for every dollar paid into CPP. For a Canadian born in 1980 the return drops dramatically to only 80 cents per dollar paid in, a dead loss.

By contrast, moneys invested in an RPSP at even 5 per cent interest would yield an average lifetime return of \$3 for every dollar invested. CPP is misnamed. It is not a pension plan but a tax to redistribute income from workers to retirees. If it were a true pension plan, properly invested, it would not be in trouble, it would be rich.

Third, rolling UI premiums into RPSPs would provide substantially more security to the unemployed while also creating an incentive to remain employed. Canadians would have far greater control over their own unemployment income. They would have the security of knowing that their premiums are a long term, personal investment even if they are never unemployed.

The Canadian Institute of Actuaries has shown that after only eight years, UI contributions administered through an RPSP would provide the same level of benefits as the maximum under the current UI program. Of course in subsequent years the rate of growth in the RPSP rapidly outperforms the return from premiums paid into the current UI program. In addition, workers would have the enormous satisfaction of control and responsibility for personal well-being.

Fourth, seniors could continue to earn income without having their retirement benefits clawed back as happens today with OAS.

Fifth, RPSPs would benefit the poor. Because UI and CPP contributions are taken off the top of their pay cheques low income Canadians do not have anything left to put into personal savings. Under the Reform RPSP, payroll deductions from CPP and UI would gradually be transformed into automatic payments into each individual's RPSP. This means that many working

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class Canadians would be able to own a personal security account for the first time ever.

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Sixth, moving into RPSPs would generate an enormous pool of capital for productive investment in our country, resulting in a host of new employment opportunities. This would create far more jobs than government spending ever could. Although RPSP managers should be able to invest in government bonds at their own discretion, we would recommend that RPSP moneys should not be accessible by government.

Seventh, these personal security funds would be owned outright by Canadians as their personal property. They would not be vulnerable to government mismanagement or squandering. Prudent regulations would ensure sound investments managed by reputable firms. People do not want their retirement savings put into fur-bearing trout farms.

Eighth, RPSPs would allow and encourage Canadians to free themselves from disabling and uncertain dependence on government and government bureaucracy. A return to the ethic of self-reliance would enrich the spirit and vigour of citizens and the country as a whole.

We have begun the work of researching details which need to be addressed. We want to make the transition from the current unsustainable programs to personal RPSPs in a way which protects those already receiving benefits under the old plans. To achieve that we anticipate a long phase in period. We will decide whether any changes to the tax system are needed to move to RPSPs and we will demonstrate how a new direction in personal security will also benefit the poor in society.

Also to be explored is whether the RPSP should be expanded to provide a savings component to fund education and training and other security needs.

As the Reform Party continues to expand this new personal security concept, it will consult with a broad cross section of knowledgeable Canadians, including tax experts, actuaries, investment managers and technical researchers. It will also find a variety of ways to provide information to Canadians to encourage discussion and ensure an informed debate and decision at the end of the process.

This will include surveying citizens on what they need and want; holding open public meetings to present the concept and hear from Canadians; and creating a concrete proposal summarizing all the research and consultation, which Canadians will be able to judge.

In our view it is critical that we move now to carefully examine the issue of our personal security and options for the future. With every passing year the transition to a better and more workable solution becomes more difficult. This is because our population is aging rapidly. In addition, as our debt balloons and interest payments consume more and more of the national