

*Old Age Security Act**[Translation]*

Mr. Speaker, this social injustice takes me back to 1982, when I was defending in the House, before my own Government and against it, the principle of indexing pensions of public servants.

Then, the debate was on indexing pensions. Today, with Bill C-26, we are in many cases concerned with the sole income an individual can receive without having the feeling he or she is receiving charity.

Mr. Speaker, I was fighting against social injustice then and I am fighting against an even greater social injustice today.

The Minister of National Health and Welfare (Mr. Epp) said last week on February 4. "However, we cannot and will not allow a very vulnerable segment of Canada's near elderly population to continue to suffer because of circumstances completely beyond their control". That is why we cannot ignore this other group of people between the ages of 60 and 64 who also have done a great deal for Canada.

To repeat the words of the Minister himself we simply cannot tell these people that the best we can do for them is to put them on welfare.

Mr. Speaker, I hope the Government will reconsider, and I hope this Government will, either in committee or in the House, propose amendments to include the 80,000 Canadians who have been excluded from this legislation so that they too can enjoy the benefits of Bill C-26.

[English]

Miss Aideen Nicholson (Trinity): Mr. Speaker, let me begin by congratulating the Minister for taking this step to extend the old age security program. The step is welcome as far as it goes because it is estimated that approximately 85,000 people living in poor circumstances will be assisted, of whom 72,000 will be women.

However, as my colleague has just said, the Bill is discriminatory in that it does not apply to single people. There are probably another 80,000 to 85,000 single older Canadians living in the same kind of poverty.

The point has been made that single people have had a greater opportunity to be in the workforce and to have acquired Canada Pension and other benefits. However, these plans do not come into play until a person is 65. In view of the high unemployment we are seeing, a number of older workers are not called back once they are laid off. Indeed, there is a serious problem facing single people living in poverty who are perhaps five years short of eligibility for the old age security pension.

We recognize that this Bill is a useful first step. We hope that the Minister and his colleagues will also consider the extensive recommendations for pension reform that were made by the parliamentary task force, chaired by the Hon. Member for Sudbury (Mr. Frith), following the publishing of the then Government's green paper on pensions which was entitled *Better Pensions for Canadians*.

For some 20 years in this country most Canadians have based their retirement financial planning on three tiers. The first tier is the universal old age security pension, with its two associate plans, the guaranteed income supplement and the spouse's allowance. The second tier is the Canada Pension Plan which, of course, is associated with labour force participation and does not provide for housewives or others who are outside of the labour force.

The third tier is private pension plans and other savings. This third tier has proved to be a very weak link in the chain. For instance, it does not recognize the mobility of Canadians. Most Canadians change jobs at least six times in a career. For many women the changes are greater because they move to accommodate their husband's careers or they leave the labour force in order to care for children. Most of the private pension plans have requirements in which vesting of the plan does not take place until the employee is 45 years old and has ten years' service with the company. It is a rather old-fashioned concept which regards the pension as a reward for long and faithful service rather than as deferred earnings, which in fact is what pension contributions are. Those involved with production of the green paper and later the Parliamentary Task Force did devote a good deal of time looking at private pension plans. There were very extensive consultations with actuaries and others in the industry who, it seems to me, are much more ready at this time than when I was elected ten years ago to move their plans into the present and to stop finding reasons against change.

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However, whatever the defects of private pension plans, there is also the fact that in many cases they are non-existent. Smaller non-unionized businesses often do not have pension plans, and where plans do exist, part-time workers are almost entirely excluded. This particularly applies to women who often work part-time either because it is the only sensible way they can meet their family responsibilities or because it is the only work available to them.

The Parliamentary Task Force had some important recommendations about private pension plans at which I hope this Government will look. But it may be that the main instrument for improving pensions and providing a decent standard of living to retired Canadians is improving the Canada Pension Plan.

The green paper also had very extensive recommendations on this and as I said the people involved had very extensive consultations. In the past we have seen many people object to placing too much reliance on the Canada Pension Plan. Those in favour of placing greater reliance on the Canada Pension Plan point out that the plan is already universal, portable and vested immediately. Those opposed have traditionally been concerned about the economic implications of transferring large sums of money from the private sector to government.

Private plans are now worth more than \$50 billion even though they cover fewer than half of Canadian workers. We