

*Supply*

**Mr. Martin (Esquimalt—Juan de Fuca):** Exactly. In these days of fiscal restraint, this is completely unconscionable. The pension plan scheme that we have now is called the defined benefit scheme where the benefits are paid according to a specific equation.

It is reasonable to do this kind of scheme in firms where there is long tenure, long contributions and high retirement ages. Does this look like what we have here in this Parliament? No. In fact, it is the exact opposite of what we find here in this House.

MPs retire relatively young after short tenures with minimal payments into the system. Thus one can see that this type of system bears a lot of risk for the employer. In this case who is the employer but the Canadian taxpayer. We are burdening the Canadian taxpayer with a risk that the private sector would not take for itself.

The taxpayers in this country are taxed too much and cannot afford to be taxed any more. They have no obligation nor should they have to pay these lucrative pension plans that we currently enjoy in this House today. Currently MPs contribute 11 per cent of their basic salaries to the plan. The taxpayer picks up the rest. How much is this?

If one looks at the entire plan, the MPs actually contribute from 20 per cent of the total amount that they are going to get paid out while the taxpayer pays 80 per cent. Furthermore these plans as members know are fully indexed to inflation.

We in the Reform Party as usual would like to make some constructive suggestions to help bring these MP pensions in line with the rest of the public, this in the name of fairness, in the name of togetherness and in the name of collegiality to eliminate the us versus them mentality that the public perceives of us, to engage in fiscal responsibility and to do our part in a small but constructive way to bring the deficit down to zero and to start attacking the debt.

To make the sacrifices that we are demanding of the Canadian public I have some constructive suggestions. First, let us convert these MP pension plans into a money purchase system that many private companies are doing. This is a shared contribution system where the MPs and the government put money into the system and into individual RRSPs. It is a joint contribution plan.

Second, we must stop indexing the pension plans. Private plans do not do this so why should we? These measures will help eliminate the excessive topping up that the Canadian taxpayer must make in order to fulfil the obligations under the current payment scheme.

Also, by putting it into private individual RRSPs, we are adding an element of personal responsibility into the system for the MPs themselves. Third, by doing this one is ultimately going to decrease the amount of retirement payments through OAS and

CPP that we would have to incur in the future thereby adding further savings.

I am going to take a little bit of licence here and bring in the social service payments to the retired for a moment because it is an interesting thing to do when we look into the future of a need that is going to require these social programs for the retired individual, in particular to enable those retired individuals who are not well off to have a social program that is going to provide for their needs in the future. When we look into the future our current social program schemes will not be able to provide payments to all retired individuals. Why? Let us look at some things. OAS pays out around \$14 billion per year. CP pays out \$10 billion a year and the guaranteed income supplement is around \$4.5 billion a year.

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Furthermore the CPP current liability, the unpaid liability, is \$500 billion, a fact that the Canadian taxpayer does not realize. This amount of money has to be paid and an amount of money that is not factored into any current debt projections we are currently hearing. By the year 2030 there will be two working people for every retired individual. This is an unsustainable situation and cannot last.

In the near future it will be a necessity for individuals to take it upon themselves to provide for their own retirement needs because the government is not going to be able to do it for them. They will, I hope, be able to provide for the needs of those who are retired and those people who need it most. This is an example of prioritizing the spending that we are trying to convince the government to do.

If MPs were to receive their pensions according to the ways I have mentioned in a sustainable fashion in the individual RRSPs, government social handouts would decrease, particularly government handouts would decrease to those individuals of which we would be a part. Therefore we could anticipate considerable savings from these programs.

There is no way to balance this budget without making cuts to the social program situation as our party has discussed before. The government should take us as an example of a group of individuals where we can revamp our retirement program in order to become self-sufficient and in order for the individuals here not to become a millstone around the taxpayers' neck.

Last, I would put up the retirement age for MPs. As I explained initially retirement age for most members of Parliament in other first world countries is much higher than what we have here. I would ask the Prime Minister to raise that to age 55 or 60.

I have heard before that government members make various arguments that the lifetime of an MP is short and their certainty of employment is not high. Many members of the public also engage in jobs where the future is very uncertain. It is no