

able to sustain the burden of income for the next generation of elderly.

I would like to speak a bit about the differentiation between a public pension plan system and a private one in the country. Very few Canadians are aware that if you are over the age of 65 today and draw a pension from a public plan, namely from the Canada Pension Plan system, for every dollar you draw you have only paid 17 cents. The other 83 cents will be picked up by the next generation of Canadians.

The burden that is capable of being handled by the next generation has been studied in Europe. Under the present Canada Pension Plan system, my children, in the year 2010 and beyond, will have to pay roughly 9 to 10 per cent of their income to cover the Canada Pension Plan at that time. I do not believe that that is an excessive burden compared to that in most other industrial states which demographically reflected, in 1985, the state that Canada will be in in the year 2010. I speak of the United Kingdom, Germany, and France where the present average age and number of workers supporting the system reflect what the Canadian reality will be in the next generation.

We did, however, have some concern about what impact any changes to the public pension plan system would have on the capability of the next generation to carry that burden. I believe that was taken into account when we recommended that the Canada Pension Plan system not be expanded, because we were not concerned about whether the next generation could sustain that burden. The committee chose not to expand the Canada Pension Plan. We did, however, include homemakers in the Canada Pension Plan. There are some 2 million Canadians in the country, namely the homemakers, who do not have access to a private or a public pension plan system.

As a result, homemakers who have chosen to stay home and raise a family, which has value to Canadian society, find themselves being penalized. That was one of the major reasons that we recommended the inclusion of homemakers in the Canada Pension Plan. In the consensus package which the Minister of State for Finance (Mrs. McDougall) indicated had emerged, the inclusion of homemakers in the public pension plan system is still under review by the provinces. Therefore, one should bear in mind that if the inclusion of homemakers in the Canada Pension Plan does not become a reality in the future, with the exception of some of the technical changes that are going to be made under the Public Service Benefits Act, there will be very little which will significantly improve the lot of women in the country.

If there is a failure to include homemakers in the Canada Pension Plan, I think serious consideration should be made to the Cofurantes model which advocated that there would be an improvement in the first half of the average industrial wage replacement earnings by the public pension plan system. Without that, very little will be done for women in our society who either stay at home and raise a family or are unfortunate enough to work at only very low paying jobs. It comes as no surprise to any of us in the Chamber this afternoon that if you work in a poor-paying job you will have a poor-paying pension

Pension Benefits Standards Act, 1985

because they are earnings-related. For that reason, when we debate the changes to the Canada and Quebec Pension Plans some consideration should be given to that idea in the event that the inclusion of homemakers in the public pension plan system is rejected by the provinces.

I also want to indicate some other areas of concern that I have with respect to the legislation before us. When we look back on the debate that occurred in the country in the seventies and eighties we see that one of the major factors that led to the establishment of the task force on pension reform, besides the dismal record that we had in terms of today's elderly population with regard to the Guaranteed Income Supplement and other things, was the concern about inflation protection. If you were one of the 40 or 45 per cent of males fortunate enough to have access to a private pension plan in the workplace and you did not have any inflation protection on that pension plan, with inflation at 11, 12 and 13 per cent per annum in Canada from 1978 until 1983, if you retired in 1978 on what you thought was going to be a reasonable pension plan, that inflation had a significant impact on your purchasing power over a very short period of time. In other words, many pensioners in this country who retired in 1978 found that the purchasing power of their private pension decreased by half within five years. For that reason, the Government of the day asked the Parliamentary Task Force on Pension Reform to investigate whether or not inflation protection should be included in an over-all private pension plan system in this country.

● (1550)

In the Lalonde Budget of February, 1984, the principle of inflation protection was accepted by the Government with the formula to be the Consumer Price Index minus 2.5 per cent. Although that formula did not reflect a consensus across the country, the principle of inflation protection was accepted by the Conservative Government of Bill Davis in Ontario.

There is a good case to be made that despite the fact we have not been able to reach a consensus on pension reform, it is no reason that the federal Government should not lead by example in this country in areas in which it has responsibility and require those employers to have an inflation protection rider in their pension plan system. I make this point because it is one area which will cause great concern when this Bill goes before committee. I expect many pensioners in this country to appear before the committee and submit their views on the need for inflation protection under the private pension plan systems.

Inherent in this debate as to whether or not the Government should legislate inflation protection is the definition of what is a pension. What is a pension? Is it a reward for years of service to the company or is it a form of deferred wage for employees? If one accepts the view that a pension is a form of deferred wage, I suggest that such an asset belongs to the worker and not to the company. Furthermore, if that is the case, then we are going to fail again in legislation before the House. As the Minister stated, this is the first time in 20 years