

based on an actuarial audit of the application of the Act and the state of the Canada Pension Plan account.

Obviously, requests for detailed information covering a period of thirty years are far less demanding than the present requests and would be no problem at all for the Actuarial Branch of the Department of Insurance.

Mr. Speaker, this Bill comes at the right time. Its proposals concerning the need for examining public plans at regular and frequent intervals are entirely in accordance with a recent agreement concluded by federal and provincial finance Ministers.

As announced by the Minister of Finance (Mr. Wilson), the Canada Pension Plan's financing will in future be examined every five years, to ensure that the Plan remains on a solid financial basis and that the planned series of premium increases will have the expected results.

There can be no doubt as to the importance of regular reporting. Both legislators and the public must have an understanding of the long term cost of the Plan if they are to assess fully the impact of any changes that may be proposed in the Plan's financing or premium levels. And even if some might challenge the need for filing an actuarial report on the Canada Pension Plan every three years instead of every five as is the case today, I certainly do not question the purpose of the proposals contained in this Bill.

Mr. Speaker, the Hon. Member's proposals about the need for preparing an actuarial report every three years on the Old Age Security Act are in line with the recommendations made in the past, including those of the Auditor General of Canada.

For instance, in his report for the financial year ending on March 31, 1985, the Auditor General deplored the fact that we as Members of Parliament did not have sufficient information at our disposal to be able to evaluate and fully understand the financial repercussions, both short and long term, of public pension programs. He pointed out in particular that the long-term costs of those programs are not regularly evaluated, except in the case of the Canada Pension Plan. In addition, despite earlier recommendations by parliamentary committees, we still have no mechanism to make a regular assessment of the long-term financial effects and commitments of those programs.

I can assure the House that those recommendations have been given every consideration and will be examined very closely. In fact, the Department of Finance, the Department of National Health and Welfare, the Department of Insurance and the Office of the Comptroller General are currently holding consultations as a result of the comments of the Auditor General. No effort is being spared to study this question and define the appropriate powers. However, given the professional background of the Hon. Member for York-Scarborough (Mr. McCrossan), I am sure he is aware of the prob-

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lems to be solved before we can proceed with actuarial evaluations of the old age security pension program.

This program features three separate benefits: the basic old age security pension and the two benefits subject to a means test, namely the guaranteed income supplement and the spouse's allowance.

● (1730)

The basic benefit is paid to all persons 65 years of age and over who meet the necessary residency requirements. As many studies have already been carried out concerning the aging process in Canada, we can predict, with a fair measure of accuracy, the number of people who will be over 65 years of age in the distant future. Even if changes in the fertility rate have no effect on projections, factors such as changes in mortality rate and future immigration policies will have an impact on the cost of the basic old age security pension and should be assessed; even with such reservations, the projections could prove useful.

As far as the old age security program is concerned, the real difficulties resulting from the proposals in this Bill arise when we consider the benefits requiring a means test. First of all, there is a guaranteed income supplement for low-income pensioners, and the spouse allowance, for spouses between the age of 60 and 64 of low-income pensioners, as well as low-income widows and widowers in this age group.

I say difficulties because it would be really difficult to assess the long term costs of the two elements in the old age security program which require a means test. It would be difficult, but not impossible.

What Hon. Members should know is that it will take some time to determine the variables necessary to establish the long term costs of these benefits.

I should like to emphasize a number of the most important factors involved, so that you may better see the kind of variables required. To determine the future cost of benefits requiring a means test, we must obviously be able to assess the income of people 60 years of age and over in the future.

Today, most guaranteed income supplement recipients are women who, when they retire after having spent the greater part of their adult lives working at home, find themselves with little or no income other than the basic old age security pension. On the other hand, if we consider the rates of participation in the labour force over the past 20 years, we realize that things have changed. More and more married women are on the labour market. We can foresee therefore that a much greater number of women than today will collect superannuation benefits under the Canada Pension Plan or private pension plans. However, important studies will have to be carried out to determine for instance the average career salary of women.