

● (1320)

I will have other opportunities to speak to other amendments to this Bill later on, but those were the major points I wanted to make with respect to the grouped of Motions Nos. 1, 9 and 14.

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, I might say that I personally have some sympathy with the direction of the amendments. Indeed, the Government accepts the long-term desirability of having inflation protection entrenched. However, we need to consider carefully how we do it.

During the pension debate in 1981, and indeed over the last 10 years, there was general recognition that pensions have to be protected over the long term for the viability of the private pension system. Unfortunately, in 1982-83 we ran into a severe economic downturn. The recovery across the country has been very uneven. I am sure all Members are aware that only Ontario has had a vigorous recovery so far. In our consultations with the provinces we were then unable to achieve consensus to entrench inflation protection at this time because of the added cost it would impose on industries in areas which were having real trouble even surviving in some cases. Therefore, we took the twin route of requiring, in the federal sector, reporting on what companies were doing about inflation protection, in order to identify the source of funds and apply moral suasion to people to go ahead. As well, we provided incentive in the Act by saying that employers can reduce the cost of the fifty-fifty cost sharing if they opted for inflation protection.

I regard that particular incentive as an important step forward. I hope Ontario will also adopt the same incentive. Between the federal Government and the Province of Ontario we regulate some 60 per cent of the workers in this country and we can provide a powerful vehicle to see that, through a voluntary mechanism, these results are achieved in the end.

[Translation]

Mr. Malépart: Mr. Speaker, I wish to support the motion moved by my colleague the Hon. Member for Sudbury (Mr. Frith). The importance of a pension scheme—there is also the importance of an indexing formula to ensure that the benefits people will get will increase at the same rate as the cost of living index.

Mr. Speaker, I have in mind several people who are now listening to us and who retired five, eight, or even three years ago. At that time, these people could get the Government's basic pension—either the Canada Pension Plan or the Quebec Pension Plan, depending on where they lived—which was indexed, together with a private pension plan which, unfortunately, was not. At the time, the sum total of his incomes was such that a pensioner, after having contributed for 30, 40 or even 50 years of his working life to get not a golden pension, but at least one which would have made it possible for him to live decently, discovered, three, four or five years after having invested that money in his private pension plan, together with

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the amounts paid by his employer, that he had given up the increases in contributions which the employer pays into the employee's pension plan, taking into account a reduction or lack of increase of his net benefits or income.

Mr. Speaker, these people realize today that they need the Guaranteed Income Supplement. Why do they need it? Because the Guaranteed Income Supplement is one of the programs implemented under the Old Age Security Pension Act for all Canadians who, when the Quebec Pension Plan and the Canada Pension Plan were introduced, had not been part of the labour force or had been unable to contribute. But it is for people who live below the poverty line. And these people, after five, three or eight years find themselves in such a situation that they must collect the Guaranteed Income Supplement, and they must abandon all the fine projects they had made, thinking that they would have enough money, having saved to live on a decent pension. They realize now that they do not have enough money because the private pension schemes to which they had contributed were not indexed.

Together with my colleague the Hon. Member for Sudbury, Mr. Speaker, I feel that this is one of the major shortcomings of Bill C-90, and that these people, come election time, will remember this Tory Government's decision. I have the relevant figures here . . . in a little while, at third reading stage, we will deal a little more with the fact that the National Council on Welfare is benefiting from poverty, which shows that a high proportion of senior citizens, most of them women, live below the poverty line.

Mr. Speaker, the two bills we are dealing with today do not remedy—And especially the lack of an indexing formula for private pensions schemes will not prevent people from living in poverty in the future. I am sure that most Canadian workers, men and women alike, will remember their Tory representatives for a long time.

[English]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I just wanted to say a few words. In the years I have been in Parliament there has been no change in legislation more important, and which brought more benefits to the people of Canada, than the decision made in the minority Parliament of 1970 to 1972, over the opposition of the Conservatives, to index the Canada Pension Plan and Old Age Security benefits. Until that time pensioners had to wait for years until, at some point shortly before an election, one Party or the other promised an increase. They fell behind year after year in the real value of their pensions because of the increased cost of living. As a result of the decision made in that minority Parliament, the benefits which are paid to the pensioners, both through the Canada Pension Plan and the Old Age Security pension, in 1986 are worth in real money just about what they were worth 13 or 14 years ago.

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That would not have happened had we not indexed those pensions plans. Unfortunately, private pension plans do not do