

I think a good starting point from which to initiate discussion is the Report of the Task Force on Retirement Income Systems. While the report does not make specific recommendations, it does outline a broad range of policy alternatives that might be considered to upgrade the system. The main findings of the report are outlined in relation to the two main objectives that underlie the current pension system. These are: first, to alleviate poverty among the elderly; and second, to assist and/or require people to defer consumption during their working years through taxes, pension contributions and savings in order to ensure that the living standards they experience during their work years are maintained adequately after retirement.

Among the findings of the study were that only 48 per cent of workers were members of employer sponsored pensions plans in 1976. Many of these will never collect an adequate pension because most plans are not portable. Rules regarding an employee's right to ownership of pension credits, known as vesting, are too stringent. Moreover, the after tax income of the elderly is only about 40 per cent of younger persons. For example, in 1975 average elderly income was \$4,620 after tax; compared with \$11,870 for the non-elderly.

The report also notes that more than half of Canada's retired persons collecting pensions also receive guaranteed income supplements, additional benefits paid to needy pensioners. It is stated in the report:

This makes clear that many people who were not in financially tight circumstances during their working lives find themselves in that situation after retirement.

As well, it states that the Canadian employer sponsored pension system is behind most other western industrialized countries in terms of coverage and vesting provisions.

Another of the findings was that fewer than half of workers with employer sponsored plans have survivor benefits, leaving widows without any extra support in their later years.

Also, up to one half of middle-income earners making between \$12,000 and \$24,000 will see a significant drop in living standards after retirement unless the public and private pension system is reformed. In addition, it says government could provide more subsidized housing for the elderly, and raise old age pension and supplementary benefits payments based on wage increases.

The report also proposes compulsory establishment of an earnings related plan on an indexed scale, possibly through expansion of the Canada Pension Plan. The CPP, which pays a monthly pension of about \$244 to contributors and their survivors, is based on earnings.

Before concluding my remarks, Mr. Speaker, I would like to dwell for a moment on the issue of health care delivery for the elderly. I believe it is an integral part of a comprehensive package of security for our senior citizens. When we are talking about financial security for senior citizens, we have to consider the total social security for senior citizens. As I have mentioned, this has been an area of vital interest to me. As the percentage of people over 65 increases, we will be faced with a vast array of problems relating to health, aging, poverty,

institutionalization, isolation and depression. In my view the health care system must be sensitive to the special needs of our senior citizens and adapt to these needs rather than having the elderly adapt to the needs of the health care system.

● (2100)

None of what I have just said is new, since health care officials and the public have been aware of the problem for years. But time is catching up with us, and this awareness must be translated very soon into action.

To sum up, the same applies to the need to reform the system of retirement income. While Bill C-16 helps to redress some of the immediate financial difficulties now being experienced by segments of our elderly population, we must direct our efforts, in consultation and co-operation with the provinces, toward finding a long-term solution to this problem.

**Some hon. Members:** Hear, hear!

[*Translation*]

**Hon. Roch La Salle (Joliette):** Madam Speaker, I would like to make a few comments about what has been said on that very important legislation. My colleagues will no doubt support the policy of income supplement for a group of individuals for whom we have the highest respect and consideration. I think that we are dealing with people who deserve the attention of all hon. members not out of charity but respect for the contribution they have made to our history and life as many others have. I am not speaking on behalf of the thousands of unemployed but of those who are enjoying a well-earned retirement. Most of them are very concerned and are experiencing some problems because benefits have not kept pace with the cost of living increases, as measured by the consumer price index.

I would like, Mr. Speaker, to repeat how pleased I am to say a few words about that proposal, but I am not convinced that if there had not been elections last February such amendment would have been made so early. One thing I would like to say is that, as a government, we had made a commitment. The former minister had already shown his interest in discussing all these social issues at a conference with the provinces. Also, in reply to questions asked, he undertook to initiate a full review of the hardships of our senior citizens. And since the costing method did not seem as fair as it could be, it was clear that we were preparing a full scale study with a view to improving the situation.

I think it is desirable to increase the benefits by a reasonable percentage in view of the poverty line. It is clear, and the minister recognizes this, that even with this increase, thousands of people will still be below the poverty line. I do not think we can be proud of the fact that we cannot act fast enough to help these people out of this situation, because there are indeed thousands of senior citizens who are having problems. I remember, and I think that we must recall the period in which those \$35 were promised. As I said, we will heartily