

Canadians who are without adequate pension coverage at the moment.

The Minister of National Health and Welfare has recognized the problem. She did so when she came before the parliamentary task force on March 17, 1983, and said:

I believe coverage is the key issue of pension reform. I really mean extension of coverage to all workers, and that is on a universal basis... You see, the majority of working Canadians do not belong to private pension plans. Only 54 per cent of men and 38 per cent of women in paid employment are protected by private pension plans. These are cold, hard facts.

● (1125)

Those were the cold, hard facts 14 months ago when the Minister said that, and they remain the same cold, hard facts today. The Minister of Finance failed to address this critical issue in his February Budget. He promised to discuss the concept of a homemaker's pension with the provinces, but he did not indicate that the federal Government was committed to bringing homemakers into the Canada Pension Plan in their own right. The Leader of my Party has made that a personal commitment.

The all-Party task force laid out in detail the way in which homemakers could be brought into the Canada Pension Plan. The Minister and his officials certainly had adequate time to study the details of the task force proposal. He must know that the recommendations stipulated that contributions for homemakers' pensions would be from family income and, where this was not possible, would be subsidized by a 0.3 per cent increase in over-all Canada Pension Plan contributions, bringing them from 3.6 per cent to 3.9 per cent of payroll. None of the cost for this would come from the public purse, but the Minister of Finance did not even react to the task force proposal in his Budget or at any time since.

Would he prefer to have the majority of those 2.7 million people who work full-time in the home being put in the position where they have to rely solely on the guaranteed income supplement when they reach the age of 65? What would that do to the public expenditure? What about the five million people in the paid labour force who have no supplemental pension plans? What encouragement was given to them to seek additional coverage? None whatsoever. Unbelievably, the changes proposed to money purchase plans by the Minister in his February Budget, which will mean a reduction in federal revenues of some \$300 million annually when they come into effect, will be of greatest benefit to those earning in the upper income brackets, \$55,000 or more. The changes may help those who can afford to put \$10,000 per year away into such plans, but for people earning only \$12,000, \$15,000 or even \$20,000, that idea does not particularly grab them. They simply cannot indulge in such fantasies.

Instead, the task force proposed establishing a flexible, portable, registered pension account which would have the benefit of a 40 per cent tax credit rather than a tax deduction. This incentive was aimed at encouraging lower to middle income earners, particularly women, to contribute to their own retirement income. Again, there was no response from the Minister of Finance.

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In closing my remarks today, I say to the House that the parliamentary task force recognized the pressing need for real pension reform. So too did the Leader of my Party and Hon. Members on this side of the House. We realize that we cannot go on forever piling burdens of debt upon the shoulders of the next generation and the next, not if we expect the intergenerational contract to be honoured. We have to look after our elderly poor today. We have to be prepared to do more to look after ourselves tomorrow. That will only take place if those presently outside the pension system are given the opportunity and the incentive to participate. That the Government has not allowed.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: A ten-minute period is now provided for questions and comments.

● (1130)

Mr. Frith: Mr. Speaker, there is much I agree with in what the Hon. Member for Kingston and the Islands (Miss MacDonald) said this morning. I will have the opportunity later this afternoon to make a speech on the same topic. In my hand I have the Budget presented on December 11, 1979 by the Hon. Member for St. John's West (Mr. Crosbie) when he was Minister of Finance in the Conservative Government. I admit that the poverty level among our elderly is a problem that exists today. It existed five years ago and it existed ten years ago. When the Hon. Member's Government was in power there was only one Budget we can judge by, and on reading through it I see there was no money to increase the guaranteed income supplement in that 1979 Budget. The question is, why not?

Miss MacDonald: Mr. Speaker, one of the great comments I hear across the country about the Liberal Party and the Liberal Government is that it is forever living for yesterday. The concern of today's elderly poor is what is of pressing need. That is what the Government should be addressing at the present time.

The Hon. Member for Sudbury (Mr. Frith) can go back to 1979. I can go back to the 1940s when Mr. Harris, the then Minister of Finance, became known as the "six-buck boy". It was Mr. Diefenbaker who addressed that issue. We can go back over the history of pensions from the time they began, but that is not the issue before us today. The issue today is that there are 600,000 people over the age of 65 who are living in need. The urgency is to get on with doing something about it. I say to the Hon. Member for Sudbury, who I know is concerned about this issue, that he should be pressing his Ministers to bring in this Bill and not be reminiscing about 1979, 1970, 1950 or any other year in the past. It is today that we are concerned about.

Mr. Frith: Mr. Speaker, the point I am making is that since 1980 the Liberal Government instituted a Bill that gave an immediate \$35 per month increase and is now proposing a \$50 per month increase. Under one Government, by the end of