

existence to overcome the terrible effects of an inflation rate of some 12.2 per cent.

The pension schemes as practised by this government are a fraud because, under the present method of financing, Canada Pension Plan contributions are not sufficient to fully fund the plan. Today, the rate of benefits paid out exceed contributions. Very shortly the Canada Pension Plan will have to be tax supported if it is to pay out the benefits promised to those who have made contributions.

The Canada Pension Plan does not provide any kind of protection against inflation. I suspect inflation will continue, because this government seems unable to change its policies, and the kind of protection provided will be completely inadequate to give even the smallest degree of retirement income and security to Canadians.

I condemn the government for failing to provide any leadership whatever in the whole area of public pensions and retirement income to overcome the problems of high interest rates, inflation and lack of adequate funding. These are the problems which threaten the security and well-being of every senior citizen in Canada.

The other area in which this government has failed to show leadership, and to provide answers is in the area of private pension schemes. By and large, it is estimated about 4.19 million Canadians are covered by these plans; that is about 62 per cent of the population. One hundred per cent of employees in the public sector are covered and 50 per cent in the private sector. Therefore, much reliance is placed by Canadians on these plans for security in retirement years.

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However, most of these plans suffer from serious defects. Most of them are not adequately protected against inflation. Most of them do not provide adequate vesting or portability benefits and most of them do not provide adequate survivor benefits for spouses.

If private pensions are to fully do the job required of them, this government must show some leadership in providing adequate frameworks and plans which can be used by private pension plans—by employers, employees, unions and private individuals—so that the majority of private pension plans provide what is so necessary; that is, vesting at an earlier age, and I am glad the minister supported that concept; so that the majority of private pension plans provide complete portability, and I was glad the minister indicated her government might support that pension plans provide for portability so that a worker can have and take his benefits with him to another job or another province whenever it is necessary to do so, and so that the plans provide requirements for spousal survivor benefits to a much greater extent than now. That is one of the reasons many senior women are facing such hardship.

I am fully aware that pensions are to a large degree a matter for provincial control. I am also aware that this government's track record in negotiating with the provinces is pretty dismal indeed. It does not make one very optimistic about any future

leadership role which this government may play in providing some direction for improved existing pensions.

I was very disturbed when the minister said her government has no philosophy, no ideology in connection with pensions. If this is true, it is clear this government has been running off in all directions and accomplishing nothing. I suggest this government would be wise to have some philosophy and ideology to guide them in the way they approach the whole pension field.

However, in spite of that, I urge the Minister of National Health and Welfare (Miss Bégin) to take her courage and her humility in both hands and proceed to negotiate a reasonable program to encourage the private sector to improve existing pension schemes. I am sure that, in collaboration with provincial governments, a scheme can be put in place so that the vast amount of our pension requirements over and above the government schemes are provided by private industry.

A problem which is basic to the question of pensions and one to which I must refer is the question of aging and population trends. It is a well-known fact that the age structure of the Canadian population will shift dramatically in the next several years. The result of this shift will be that Canada will see a steady increase in the proportion of its elderly and pensioner citizens, and at the same time, and this point is crucial, a much smaller work force.

The number of Canadians over 65 years of age is forecast by Statistics Canada to increase from the present 9 per cent of the population to 20 per cent early in the twenty-first century. That is more than doubling the number of senior citizens. The dependency rate for elderly Canadians, that is, the population of age 65 and over, expressed as a proportion of the population aged 18 to 64 will rise to 30 per cent over the same period from its present 14.5 per cent. Thus, by the year 2031 there will be three working adults for each senior citizen. There are now seven working adults to each senior citizen. It does not take much of a mathematician to understand the tremendous tax burden that will be imposed on those workers in the early part of the twenty-first century if we do not plan now to provide senior citizens with retirement income.

Briefly, we may expect in the future more old dependents and fewer workers to support them. These facts alone are reason enough that it is essential plans be put in place now to meet this future obligation of our society. We hope and anticipate that these elderly Canadians will be supported by their savings, employer pensions and government pension programs. However, since at that time there will be a relatively smaller working population, if the tax burden on those working people is not to be an excessive burden, we must plan now to encourage savings and properly funded private and government systems.

It may appear that the year 2030 is a long way off, but it is well to remember many of the Canadians who will retire in the critical period from 2010 to 2030 are already in the work force. If Canada's system of income security for the aged is to be altered, changes have to be announced well in advance so that people can take them into account when planning retirement. That is why it is so essential that the forthcoming