

I admit that this is both very good and very limited. It gives to people working under federal jurisdiction ideal pensions. This is our job and our responsibility as the federal Government. We will honour it and do it. But how can we equip millions of other Canadian workers who do not have private pensions in the first place with pensions? That is the biggest challenge of the eighties. I think it is fair to say—and I see Hon. Members on both sides of the House nodding in approval—that this will be the major challenge in the social welfare field for years to come. It will not be done overnight.

We have offered all people of Canada a course of action. We will make—and again it is directly under our jurisdiction—the federal tax system the best possible and most attractive one for Canadians to have opportunity to build for themselves private pension plans. They usually do this through RRSPs. We are now heating about them all over the place because everyone is advertising that they should be purchased before the end of February. We will make them even more attractive, and the Minister of Finance will table a Bill later this spring which will create another possible plan, RPAs. These plans will be locked in. This means that the funds cannot be withdrawn before retirement. They are locked-in bank accounts which produce interest and give tax benefits—let us call it by its name—to attract people into building their own pension plans.

Will that be enough? I do not think it will but we have to start on that route. It will probably not be enough because we will have to see—and I cannot prejudge the future—if the backbone of the Canadian economy, namely small businesses, pick it up. One feature which will make it very attractive is that another person will be able to contribute in the name of a worker. This means a small private company can choose to open RRSP-RPAS in the names of its employees. We will have to see if it works and if it is picked up by Canadians. Then we will judge how to proceed for all other Canadian workers who do not have a pension.

● (1140)

How do we have a company pension for everybody? How did it happen in other countries? It is difficult to use the United States as a comparison because the situation there is a bit like Canada with the majority of workers not having a pension in the first place. At age 65 they receive a public pension from the state, which is a bit unsatisfactory. People are not ready for a major disruption in their income, nor do they want it. How do we ensure that we get to the situation where the Europeans are, for example?

[Translation]

Mr. Speaker, since 1979 I have asked a lot of questions about pensions, a subject I deal with constantly as Minister of National Health and Welfare. It is a fact that European countries have had proper pension funds since the last World War. After experiencing the horrors of two world wars, the unions—Europeans being more extensively unionized than Canadian workers—immediately decided that pensions would be their first priority in negotiations with employers. Pension

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funds were set up for all workers in all European countries. Once this had become general practice and 90 per cent of the workers, as was the case in France, had company pensions, the Government decided to make pensions compulsory by law. As a result, the 10 per cent who did not have a pension fund got one right away, so that everyone was covered by private pension plans. I do not think we can take the same approach in Canada, since in this country, the majority of workers are not unionized and because—and I am not saying this to criticize, because the unions fully support the development of pension plans—our unions did not see pension plans as their first priority in the bargaining process. I think it is fair to say they worked hard to get very good cost-of-living indexing. In other words, they opted for immediate returns instead of longer term gain. We have now reached the point that, as a country, we have to ask ourselves what we are going to do. The issue must be discussed with the provinces who play a key role, and together we must decide what the best approach is and how many years it will take to provide all Canadian workers with a good pension.

[English]

How are we going to do that? I think it is fair to say that people usually talk only about two avenues, even though there are more than two. There are groups that say they are all for the private sector, let the private sector do it. We will see. The private sector is getting one more chance with these good tax offers. They can start developing plans for their employees, particularly those in small business. Otherwise, it will have to be mandatory for all Canadians, of course with the agreement of the provinces which have the jurisdiction.

We could go the route of the CPP or anything else around the CPP. Over the years we could double or enormously increase the CPP. The great advantage is that it will provide benefits a few years after the law is passed. If you go the private sector route, you have to wait for the plans to mature, which involves a time frame of 25 to 30 years. Canadians must know that. There is nothing good or bad about one over the other. However, people need good private pension plans.

There is another route I would offer Canadians for consideration. Where a company has a good pension, that company could get the approval of government and carry on with it. Only those who do not have a private pension plan would have to go the route of an enlarged CPP or whatever.

I see that my time is up. I would simply like to bring the pension reform in the Budget to the attention of Canadians because we cannot do like *l'autruche, la tête dans le sable*. We must face that challenge and find and answer à *la Canadienne* for all of us.

Some Hon. Members: Hear, hear!

Miss MacDonald: Mr. Speaker, I have a question for the Minister of National Health and Welfare (Miss Bégin). It concerns the measures that she has been speaking about on pension reform. I have in my hand the Throne Speech of April