

## COMMENTARY

# Canadian Pension Plan a bomb waiting to go off

By Peter Marval

There are numerous bombs waiting to go off in Canada. Silently and relentlessly they tick away, waiting to go off.

One of those bombs is our Canadian Pension Plan, and despite studies from bomb experts who say the detonator has been diffused, I would say that it is still ticking — it's just been given a longer fuse.

Politicians know about it; they just neglect to mention it. Their agenda, after all, is re-election. It wouldn't do their political careers much good to tell us we're sitting on a potential powder-keg.



Some experts believe only modest changes are needed to the CPP. One modest change is the gradual increase in CPP premiums to 14 per cent, from the present 5.6 per cent.

Now, 14 per cent doesn't sound too bad, if it was the only increase in wage reductions. But, from now until 2030, many things could happen, and will happen, which could transform modest changes into indecent alterations.

There's already talk of Canada's health care system — another bomb ready to explode — becoming defunct because of unyielding costs. Seniors, for the most part, rely heavily on health care.

Even if pension rates remained stable, without health care, seniors would surely

suffer economic hardships. Also, programs are being slashed, civil service jobs taken away and too many money-saving proposals to mention are being utilized.

There is so much going on at any one point that it's hard to discern what is working and what is not. Then there is the mother of all bombs, the federal deficit, which is somewhere in the \$500-billion range. Ottawa devotes about one-quarter of its payments to interest payments alone.

At birth, every child is already in debt to the government \$18,000. That's what they owe for the past, but what about what they will owe for the future?

Nobody knows what the economic situation of Canada, let alone the world, will be like in 2030. One cannot make predictions

based on today's scenarios. Things such as the environment, the increase in the population of the world, the depletion of natural resources, crime and violence, and many other small facets which make up the whole, are all factors to take into consideration. A fluctuation in one facet can have a diverse effect on all the others.

Pension is just one aspect of an integral and complex mechanism. Experts, who either warn us or comfort us, are usually experts in only one field, each one looking at the big picture through a small hole. In order to properly diagnose and find solutions to growing problems, a macrocosm perspective is required.

The bombs are ticking, silently and relentlessly, waiting to go off.