

**For Immediate Release:  
Thursday, December 16, 2010**

## **Harper/Flaherty Pension Scheme a Holiday Gift to the Banks – a Lump of Coal for Canadians**

***Taking CPP expansion off the table would be a betrayal of what Canadians need and want***

**Edmonton** – Federal Finance Minister Jim Flaherty has betrayed generations of Canadians by suggesting that expansion of the Canada Pension Plan should be taken off the table at the meeting of provincial finance ministers in Kananaskis next Monday, says Gil McGowan, President of the Alberta Federation of Labour.

This morning, Flaherty unveiled a supplementary, voluntary pension plan run by the big banks as an alternative to expanding the CPP, despite having taken the private sector option off the table just a few months ago.

“The federal government caved to ideological pressure from Alberta and the self-interest of the investment industry,” says McGowan, who says the only ones who will benefit from Flaherty's plan are the banks, who will profit from the high fees charged by private sector plans, as opposed to the low management fees in the Canada Pension Plan.

“It is clear the investment industry had a hand in this decision. The Canadian Association of Bankers called the plan a 'wonderful holiday gift' within minutes of Flaherty's announcement. They had their press releases all queued up, and had clearly been consulted beforehand,” continues McGowan.

McGowan says today's federal announcement betrays the 78 percent of Canadians who want CPP benefits increased, according to a recent Environics poll.

It is also unclear whether there is in fact a national consensus on the private sector option, as Flaherty claims. All provinces, except Alberta, support modest phased-in improvements to the CPP.

“I am calling on the finance ministers of all provinces to stand up for what their citizens need and want, which is better retirement security via improvements to the CPP,” says McGowan. “On December 19<sup>th</sup> and 20<sup>th</sup>, the rest of Canada's finance ministers must keep CPP expansion on the table.”

The voluntary plan cooked up by Ottawa, Alberta, and the Big Banks will not in any way address Canada's looming retirement crisis.

“This plan exposes Canadians to unnecessary risk, and employers can opt out. Let's face it – they will, and it's a fantasy to think otherwise.

“The private investment industry has had 40 years to prove to Canadians that their products can deliver adequate retirement income. They've failed, because they are more interested in high fees and their own profits than Canadians' ability to retire in dignity.”

“The CPP is the most efficient way to ensure Canadians don't live in poverty in old age. If the country's finance ministers don't stand up to the Harper Conservatives, the Alberta ideologues, and the Big Banks today, we lose the opportunity to secure a dignified retirement for generations of Canadians to come,” concludes McGowan.

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### **Media Contact:**

**Gil McGowan, President, Alberta Federation of Labour @ cell 780-218-9888 or office 780-483-3021**

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