

Senator Frith: You were busy talking about something else when I was making the original point.

We must realize that the authority to make regulations under the guise of income tax purposes may actually extend beyond what we are being told it does. The knife which this authority sharpens may be used to cut programs and benefits without ever going to Parliament, which was the primary concern expressed in all the letters received by myself and all other senators.

My question now is this: If the government has no intention of unilaterally de-indexing pensions, reducing other benefits, changing the funding levels or changing interest rates with this regulation-making authority, and if the legal opinion says that such actions would not be permitted under the bill in any event, why will the government not specifically write into the legislation a provision prohibiting it or any government from taking such action?

• (1510)

Why not make the intention clear? In this case we are being asked to trust government guarantees, and it is not the first time we have been asked to take such a leap of faith.

I am pausing because I am catching up to something about which the government assured me. So when I get the CPP and they take it all back in tax, they are taking it back legally. I mean, both my CPP and my OAS.

This, however, is not the first time that we have been asked to take such a leap of faith. We all remember Bill C-22, the pharmaceutical bill, when the government promised greater employment and an increase in research and development. We also remember that some of us, including myself, asked the government to put such requirements into the bill and the government refused. We have seen how these promises have not been kept. In an article which appeared in *The Citizen* on September 17, Ian Austen reported under the heading, "Patent drug law did not work, report says", at the second paragraph:

Contrary to the pharmaceutical drug industry's claim in 1987, —

Which is when we asked them to put those requirements in the bill —

— a draft study for the Department of Consumer and Corporate Affairs shows limited job gain, little growth in basic research and almost no capacity to produce the active ingredients of drugs in Canada.

So much for the assurances we received in 1987, and probably so much for those we are receiving here today.

We must ask ourselves if this legal opinion that I have referred to and the minister's promises are enough to convince us—and concerned groups and individuals—that the next minister will not unilaterally, through regulation, change the de-indexing provisions for any other benefits provided through the pension legislation. I personally do not believe

that Mr. Loiselle would do so. He has gone on record as saying that he will not, and I believe he will not, but what assurance does that give us that the next minister, no matter which government, will not do so?

Now to the second point, the pension credit splitting on marriage breakdown. Another matter that we learned much about in the committee, and also through the many letters I received, is the issue of pension credit splitting in the event of marriage breakdown. Under current law there is no provision for splitting of pension credits. As you know, the essential step these days in the case of marriage breakdown is to determine the distribution of assets. The first step is to decide what are family assets and then the judge or parties, if it is by agreement, determine how those assets are to be distributed.

Bill C-55 in this respect is an improvement because it will permit the division of a plan member's pension benefits at source. However, there are a number of issues that this bill does not address. For example, many women will still be denied access to their ex-husband's pension benefits after having spent many years working in the home and providing support to their husbands, the husband being the plan member.

In one particular letter received by Senator Fairbairn, who forwarded a copy to me, a woman described her situation, one which will not be rectified under this bill. This woman had been married to her ex-husband for 29 years, during which time she worked in the home, raised three children and gave her husband extraordinary support and aid in his career. I say "extraordinary support" because she had a much higher level of education than he—he had only completed grade eight—and provided him with tutoring help throughout his work-related courses. He recognized her help and support, as did many of his colleagues.

Subsequent to their divorce, the husband remarried and died approximately one year after the remarriage. Upon his death his second wife received all of his pension and death benefits.

We would like to be optimistic and say that that situation cannot recur under Bill C-55 because of the pension credit splitting provisions that I have just referred to, but this woman is an example of how and when it can happen. First, she would need a written spousal agreement or court order to have her ex-husband's pension credits divided. When the couple divorced, neither of these alternatives was an option, so there was no court order or written agreement. Since her ex-husband is now dead, she cannot obtain a spousal agreement.

Shortly before he died, her ex-husband expressed regret that he could not do anything for her with regard to his pension. If the requirement for a court order or spousal agreement were eliminated then women would not be in the situation that this woman is in now. Her 29-year contribution to her husband's career would be recognized and she could receive her fair share of his pension and death benefits.

The Committee for Spousal and Children's Pension Survival appeared before the National Finance committee to discuss this very issue. In its submission to the committee, the