

The Budget—Mrs. Erola

pensions. I support that kind of suggestion. It could prove to be a solution.

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I rise to take part in the Budget debate, confident that the provisions before us will ensure that more Canadians enjoy a brighter and more secure future. I would like to pay tribute to the Hon. Member for Okanagan North (Mr. Dantzer) for the work he did as a member of the pension committee and the fact that he endorsed many of the measures the Government brought forward in the Budget. That committee sat for the better part of a year and worked diligently to come forward with recommendations, many of which the Government has adopted.

This morning I will address more specifically Canadian women by focusing on those aspects of the Budget of greatest benefit to women. I speak, of course, of the proposed reforms to the retirement income system. It has been said time and time again, and will be said for a long time, that whether a Canadian woman works in the labour force full-time or part-time, whether she stays out of the labour force to raise a family full-time or temporarily, or whether she has never held a job in the labour force, chances are that she can expect to be poor in her later years. She can expect to be poor in what should be the golden years of her life.

As Minister responsible for the status of women, I have consistently refused to accept that this situation must be the standard lot in life for women in the country, women who have made every bit as much a contribution as their male counterparts. A few months ago I appeared before the parliamentary task force on pension reform, at which time I outlined the plight of retired Canadian women. It was clear to me then, as it is clear to me now, that pension reform must take into account the needs of women, just as past legislation has taken into account the needs of men.

Most Canadian women who today are over 65 years of age and single were homemakers for all or part of their adult lives. Others who had never married or were widowed early have been members of the labour force. These women share a lamentable fate in their twilight years. As elderly single women they fare worse under the current pension system than any other group in Canadian society. We on the Government side recognize the problem facing single elderly women. We recognize that 68 out of 100 will end their lives alone. I am confident that the pension reform measures announced by the Minister of Finance (Mr. Lalonde) will go a long way toward improving the lives of these women.

Any discussion of reform of the retirement system can only begin with the guaranteed income supplement, the GIS. Good as all the other measures are—and I will go into them—the GIS clearly represents the most single important reform affecting women in both the short term and the long term. Let me explain why. The GIS measures are immediate whereas other pension reforms, even if they are legislated tomorrow, and I agree they cannot come too soon, would take many years to have a full impact on retirement income.

• (1125)

Second, no matter what type of pension reform is implemented, women's pensions will continue to be lower than those of men for the foreseeable future. This unfortunate situation results from the simple fact that, outside of federal jurisdiction, women do not have equal pay for work of equal value legislation. Because the wages women earn tend to be lower than wages earned by men, and because pensions are based on earnings, those pensions will continue to be lower.

Allow me to repeat that the legislation soon to be introduced to reform the GIS will respond immediately to the needs of Canada's least privileged senior citizens. In fact, the increases will benefit about 750,000 pensioners, a full three-quarters of whom, something like 553,000, are women.

Parliament will soon to be asked to raise the GIS rate for single pensioners and one-pensioner couples by \$50 a month. This represents an increase of more than 20 per cent, an increase which will be made in two stages: \$25 beginning July 1 of this year and a further \$25 beginning December 1. When coupled with the universal old age pension, these measures will ensure that no single senior citizen receives less than \$600 a month, or \$7,200 a year. Indeed, the increases will raise the guaranteed income for elderly single Canadians, mostly women, to more than 60 per cent of the amount paid to couples.

I should point out that this reform of the GIS is based on recommendations made by virtually all women's groups and has also been supported by business and labour organizations. In addition, some 3,000 pensioners receiving partial old age pensions, most of whom are immigrant Canadians, will be assisted in the coming year by increased GIS benefits designed to raise their minimum income to the level of other pensioners.

I think it would be useful at this time to provide Hon. Members with some concrete examples of how increases to the GIS will improve the lives of typical women pensioners. Let us take a couple of test cases.

In the first case, consider a woman who is the survivor of a one-earner couple, who has been a homemaker all her life and whose husband earned the average wage. On December 1 this year when the full increase in the GIS is in effect, she will have an estimated total income of \$716 per month, compared to \$646 now. The increased income would be made up of \$274 in OAS, \$232 in CPP survivor's benefit and \$212 in GIS. A single woman who had earned a typical female wage all her life would also now receive \$716. How? This increase would be made up of her Old Age Security of \$274, a CPP employment benefit of \$232 because she had been in the work force, and what is really important is that despite the fact that this woman had been in the work force all her life earning an average wage, she would still require the GIS of \$210. That is why this pension reform is so important. It means a guarantee to all women in the country, whether they have been in the work force part-time or full-time or whether they have been homemakers all their lives.