

*Pension Benefits Standards Act, 1985***GOVERNMENT ORDERS**

[English]

PETROLEUM INCENTIVES PROGRAM ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Miss Carney that Bill C-85, an Act to amend the Petroleum Incentives Program Act, be read the second time and referred to a legislative committee.

Mr. Frith: I would just like to indicate that there is a disposition on our side of the House, if the Government so wishes, to vote on this Bill at the present time.

Mr. Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: The question is as follows: Miss Carney, seconded by Mr. LaSalle, moved that Bill C-85 be now read the second time and referred to a legislative committee.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

An Hon. Member: On division.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

PENSION BENEFITS STANDARDS ACT, 1985

MEASURE TO ENACT

Hon. Ray Hnatyshyn (for the Minister of Finance) moved that Bill C-90, an Act respecting pension plans organized and administered for the benefit of persons employed in connection with certain federal works, undertakings and businesses, be read the second time and referred to a legislative committee.

Hon. Barbara McDougall (Minister of State (Finance)): I am very pleased indeed and very proud to be moving second reading of Bill C-90, a measure which will bring, I think, long awaited reform to the federal Pension Benefits Standards Act. This legislation, we are very pleased to report, is a landmark in the evolution of Canada's pension system. It and other measures the Government is taking to improve pensions in Canada mark the culmination of a decade of intensive study, debate and deliberation. Over this long period progress towards a consensus on pension reform has been painstaking and it has been frequently contentious. I am very proud to be able to say that the legislation before us today is based on consensus. It is a consensus involving compromise to be sure, but a very genuine consensus. This Government, I believe, has again demonstrated its ability to work together with Canadians to achieve concrete results on a very important matter.

The Bill before us now represents major changes to the minimum standards affecting federally regulated pension plans. This Government has acted decisively to improve pension benefits, a key component of the quality of life of Canadians in their retirement years. Bill C-90 will ensure greater fairness, greater flexibility and greater security for Canadians participating in these plans. More than that, it will provide Canadian workers with opportunities to exercise individual initiative and responsibility in saving for their retirement years.

● (1510)

The Pension Benefits Standards Act sets the basic standards which pension plans provided by Canadian companies operating in Canada, subject to federal jurisdiction, must meet. We are proposing to improve those standards in so many fundamental ways that the existing legislation must be completely and fundamentally rewritten. Since the Act was passed 20 years ago, social standards have changed, the economy has changed and the Charter of Rights and Freedoms has established a new legal touchstone. Bill C-90 reflects those changes.

Before describing the main features of the Bill, I would like to say something about the place of employer-sponsored pension plans in Canada's pension system and the principles that underlie that system. First, we share a collective obligation to ensure that Canada's elderly do not live out their lives in poverty. This is our fundamental and most general social responsibility, a responsibility which the Government accepts as fundamental to human rights and to our social programs in Canada.

Old age security benefits combined with a guaranteed income supplement provide basic security for those over 65. Spouses' allowances help others in need who have not yet reached 65. The Government has recently extended such help to all widows and widowers between the ages of 60 and 64. On this base is built the Canada Pension Plan and its parallel in Quebec, the Quebec Pension Plan. These are compulsory plans to which all Canadians in the paid labour force must belong and they ensure that workers and their spouses can maintain a reasonable standard of living in retirement.

As I am sure you are aware, Mr. Speaker, in December the Government concluded a historic agreement with the provinces which share responsibility for the Canada Pension Plan to put its financing on a firm footing for the future and to adapt the benefits it provides to changing needs and expectations. Legislation to give effect to this agreement will be introduced in the spring.

[Translation]

Furthermore, in addition to the basic mechanisms of the Canada Pension Plan, Canadians must be able to determine, on an individual or collective basis, the additional amount in pension benefits that would meet their needs upon retirement, which means that they must accept responsibility for saving enough money to maintain the standard of living they want for