

HOUSE OF COMMONS

Thursday, February 23, 1984

The House met at 11 a.m.

● (1105)

GOVERNMENT ORDERS

[English]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Wednesday, February 22, consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Crosbie (p. 1445).

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I am pleased to continue my remarks on the Budget which I began yesterday. Yesterday I said the Budget really does not offer any solution to the economic distress we find ourselves in today. After many years of Liberal government we find ourselves in a quagmire of economic uncertainty. If Members opposite do not know what a quagmire is, *Concise Oxford* defines it as a "quaking bog". We are in a quaking bog of economic despair at the moment. The unemployed in Canada are quaking with fear. The businessmen in Canada are quaking with uncertainty and this Budget has done nothing to solve any of the problems which we find ourselves facing.

I also said yesterday that the Budget has one bright light in it. I am prepared to give the devil his due. This Budget does indicate the first faint steps toward the Government providing a rational pension policy. Hon. Members will recall that the task force on pensions reported to the House last December. Perhaps I am prejudiced because I was on that task force, but I believe it provided a very comprehensive report, an outline of steps which could be taken in the country to provide one of the best pension systems in the world. I am pleased to see that the Government has taken some steps in that direction. First, under the employer-sponsored plans under federal jurisdiction, it proposes to open up the federal pension Benefits Standards Act in order to provide some of the measures we suggested in the task force report.

● (1110)

With respect to inflation protection, it was quite evident in our travels throughout Canada that this was one of the main concerns about most private pensions. The system is inconsistent since some have inflation protection and some do not. We believed there was a great need for this measure because the

high inflation which existed in the early 1980s caused some people to end up with pensions that meant absolutely nothing, although they had contributed to them all their lives. Since they had made no other plans they were in very difficult circumstances.

The Government's proposal is to provide the plans under federal jurisdiction with some 60 per cent of any increase in the Consumer Price Index. That is not quite as good as the task force proposed since we proposed full indexing less 2.5 per cent. I suggest it will be shown when inflation reaches approximately 8 per cent that the task force scheme was the better one. However, little is better than nothing and I commend the Government for that.

It also proposes to bring in vesting after two years. Vesting means that a person who owns his pension can carry it with him. This is of particular benefit to women who change jobs frequently and often in their early years. It is important that vesting begin as soon as possible. I commend the Government for taking this step because it took a certain amount of courage. I know from our experience that industry is not yet prepared to accept the two-year vesting period. They would propose five years or a combination of the two.

The Government has also acted on a proposal which was in the green paper; that is, to establish registered pension accounts which will make portability a possibility and not just a dream for many people. It is very important to have portability in this country because people move a great deal. Under this scheme as well the employer can contribute to the employee's pension. With two-year portability, I think that will be very beneficial indeed.

The Government also proposes certain measures that will be of benefit to women. Let me mention them briefly. One is the continuation of survivor benefits on remarriage. This is a most logical step. There is no reason why a woman who is the recipient of a survivor pension should have it taken away from her when she remarries. This should apply to men as well. I am glad that this rational concept has finally been adopted by the Government and I hope it will be implemented. I can assure the Government that at least I will not oppose any legislation in that regard.

The splitting of pension credits upon the breakdown of marriage is a concept which I believe has been generally accepted throughout the country. That will also be put into the Act when it is opened up.

I think it is most interesting to note that the insurance industry is having a hard time accepting the notion of equal annuities without regard to sex; in other words, the acceptance of unisex mortality tables. I suspect that our Bill of Rights