

report that the Minister of Finance and the Government accepted the basic thrust of the recommendations in my report to have a more equitable tax treatment of funds set aside for pension purposes. It was recognized by all members of the task force that people who belong to defined benefit pension plans have a significant tax advantage over those who do not. Those people, who are largely self-employed or who are professionals or small business persons, who were limited to the \$5,500/\$3,500 rule were adversely treated as compared to those who had access to a defined benefit plan. As a result, the federal Government accepted the concept of a lifetime limit of tax assisted moneys, which resulted in a significant increase in the upper limits. The Budget proposal is to raise the limit from \$5,500 in 1984 to \$10,000 in 1985, and then, in incremental steps, to \$15,500 by the year 1988. There will then be significant changes for those who belong to defined benefit plans. Phase two of pension reform, beginning in 1988, is to place a value on the defined benefit plan so that if a worker is entitled to more tax room it would be deducted from those new upper limits. Hopefully, between now and the end of June the Budget papers, which we hope will be adopted by the House, will reflect those new limits and put them into effect. But there are technical difficulties in getting the system to accommodate those new upper limits. As a result, legislation which would reflect those complexities will have to be introduced in the fall. It was well known, even at the time of the Budget, that we would require a technical group to meet with representatives of the industry in order to adjust the system to accommodate this new concept of lifetime limits for tax purposes.

Having said that, Mr. Speaker, I anticipate that the GIS legislation will be introduced in the House between now and the end of June. I think it will take at least until the fall to introduce the changes to the Pension Benefits Standards Act because of the complexities I mentioned. I do not think any Member of the House would advocate creating a degree of uncertainty in financial markets by not agreeing to those new upper limits between now and December of this year.

I wanted to point out as well, Mr. Speaker, that the task force made a number of recommendations with respect to changes in the Canada Pension Plan. They are significant. Because the Province of Ontario has the power of veto, it is going to require extensive negotiations between the provinces and the federal Government. I am hopeful that the legislative agenda for pension reform will largely reflect this over the next 12 months. A meeting is to be convened by the Treasurer of Ontario, Mr. Grossman, of the Ministers responsible for this legislation on June 5. He is hopeful that there will be consensus concerning the legislative agenda for pension reform. I assume that this will in turn create consensus on the need for changes to the CPP. This Government has long recommended significant changes in the CPP disability payments. Two years ago, the Minister put a proposal before her provincial counterparts which would have doubled those payments. At that time, the Treasurer of Ontario, Mr. Frank Miller, rejected the doubling of disability payments. I am pleased to report that in a speech just three weeks ago the current Treasurer of the

Province of Ontario has agreed to the doubling of these payments. This will mean an awful lot to our constituents.

As the Hon. Member for Provencher mentioned, and I happen to agree with him, many of our problems have to do with people between the ages of 60 and 64, a lot of whom are widows. I think it is fair to say, as I look around the House at other Members, that we have a great deal of difficulty with people who have to rely on CPP disability payments to survive. We all recognize that those levels are far too low, so I am pleased that Mr. Grossman has finally removed the veto and we can get on with the changes to the CPP to allow people to live in a minimum of comfort and security.

Also, Mr. Speaker, it seems that we have agreement on improvements to survivors' benefits as recommended by our task force and consequent to the changes in the CPP. It appears that we have unanimity concerning the division of CPP assets upon marriage breakdown. Clearly I think we are on the path to pension reform. I anticipate that changes in the public pension system will occur much more quickly than changes in the private pensions, but I am also hopeful, provided we can get some degree of consensus from the June 5 meeting, that we can have private pension plan legislation introduced both federally and provincially over the next 12 to 18 months. Regardless of the timetable, it is clear that once the legislation is in effect for the public and private systems, it will reflect much better the needs of workers and women in the area of pensions.

Mr. Miller: Mr. Speaker, I wish I shared the same optimism as my colleague. However, I have one or two questions which I think are of importance. As Chairman of the task force, the Member knows how important are these negotiations with the provinces regarding changes to the Canada Pension Plan. The provinces are not all that anxious to change the Canada Pension Plan.

• (1710)

The Member has heard concerns voiced by the task force with regard to people out of work between the ages of 60 and 65, particularly now with the high unemployment in the manufacturing areas. In his capacity as former Chairman of the task force, would the Member encourage his Government to make strong representations to provincial governments in renegotiations on the CPP to have some serious discussions about lowering the age of eligibility for CPP on a voluntary basis to age 60? This would provide adequate income to people between the ages of 60 and 65. It would also allow young people back into the work force who have been unable to obtain work in the last few years.

Mr. Frith: Mr. Speaker, I would agree with the Member opposite. That is a course of action which I would hope we could convince our provincial counterparts to take. I agree that an actuarially reduced Canada and Quebec Pension Plan would be of some benefit to youth who are seeking employment. I have also thought on numerous occasions that we could probably use much more innovative private pension