

With regard to credit splitting, the new standards will also ensure that women do not lose their share of pensions or pension savings if their marriage breaks down. Pensions already being paid, or the value of pensions earned during marriage, will become part of the family assets to be divided on breakdown of the marriage, according to the provisions of provincial family law legislation.

I now wish to deal with the controversial area of inflation protection. As Hon. Members well know, this is a question which, over the years, has been of persistent concern to the architects of pension reform. Indeed, no other issue has been such a source of disagreement and such an obstacle to reform. The Government recognizes the need to maintain the purchasing power of pensions provided by employer-sponsored pension plans. However, many business groups continue to be opposed to mandatory inflation protection because they do not believe that it is affordable or predictable. There is no provincial consensus on this matter either. Therefore, we must acknowledge that to mandate inflation protection at this time could have serious negative repercussions on the willingness of businesses to establish or to continue pension plans for their employees.

● (1530)

This outcome would not be in the interests of employees and of course we will have to continue to work at it. As well, it has proved impossible to achieve any agreement on what method or formula might be appropriate for providing inflation protection, and we will continue to work at that. However, we cannot delay pension reform solely for want of agreement on mandatory inflation protection when there is agreement in so many areas, and when the need for reform is so great. We have therefore adopted a voluntary approach to inflation protection. I want to stress that the majority of large pension plans already provide inflation adjustments which amount to about 40 per cent of the increase in the Consumer Price Index. We will build on this by encouraging all firms under the jurisdiction of the federal Government, especially Crown corporations, to provide such inflation adjustments both to pensioners and to the pension savings of persons still working. These firms will be required to report regularly on the adjustments they make and the source of funds they use for these purposes. Information on both the inflation adjustments and the sources of funds will be submitted to the Superintendent of Insurance and the resulting statistical information will be made public.

The Government will be closely monitoring the response of pension plans to the voluntary approach. As we gain a clear picture of how well it is working, we will once again be consulting with the provinces, with business, and with other groups which have an interest in effective pension arrangements to determine what further action is necessary and nudge ourselves toward further action if we come to that conclusion. Clearly, there will be a need to review the question of inflation protection on an ongoing basis. That is just what we will be doing.

#### *Pension Benefits Standards Act, 1985*

Canadians have been awaiting reform of the pension system for a long time. Much work has been done on this over the years and I know that the Hon. Member for Sudbury (Mr. Frith) has done a lot of work in this area. He is to be congratulated for the work that was done while his Government was in office. However, we on this side of the House are very proud today that a consensus has been reached which reflects the realities and values of the Canada of today. I believe all Canadians will welcome the significant achievement which this Bill represents and will be anxious to see the changes take effect. I am proud to present this Bill on behalf of the Government. I hope all Members will support it wholeheartedly so it can receive speedy passage on behalf of those who are approaching their retirement and those who must plan ahead in the pension fund reform context.

Canadians are eager to see this legislation pass because if it receives speedy passage it can take effect at the beginning of 1987 as proposed. This can only happen if the measures are in place in sufficient time for employees to make the substantial adjustments in their plans which may be required. Again, it is with very great pride that I present this Bill to the House today.

**Hon. Douglas C. Frith (Sudbury):** Mr. Speaker, as the spokesman for my Party on this issue may I say that I, too, am prepared to give this Bill relatively swift passage in order that the legislation go to committee. There are some areas in this legislation with which I have some concern. I think we can make some improvements to the legislation without causing a fundamental problem for the Government. One in particular that I want to mention, while the Minister is still in the House, is this. At the time the all-Party parliamentary task force travelled across the country meeting individuals and other groups, but particularly representatives of religious groups which prohibit membership in private associations, we took their presentations into consideration. The Province of Manitoba took their concerns into account and this wording was placed not only in the Manitoba legislation, but the previous Liberal Minister of Finance, Mr. Lalonde, accepted that wording in the draft Bill we had prepared. I have had representations from the same religious groups. They are very small in number, and I think the Government would do well to listen to what they have to say and amend the legislation to alleviate their problem.

The Minister indicated that this Bill has been a long time coming. I could not agree more. In recent months there have been public opinion polls which indicate that the Canadian public in general is very confused about the role of pension plans in this country, both public and private. That has led to a misunderstanding on the part of most Canadians as to what role pension plans play. The Minister indicated that this legislation is only going to deal with the private pension plans covering areas of federal jurisdiction. As she said, that covers some one million Canadians. My understanding is that a consensus has been reached with the provincial Governments on a pension reform package which will be undertaken in each of the provinces concerned. That of course will cover a great