

ers' pension. A number of proposals put forward to the parliamentary task force on pension reform called for greater CPP benefits to all one-earner couples, that is, couples where one spouse works in the labour force and one does not. These, of course, will be discussed with the provinces. However, let us be very clear; the significant issue surrounding the debate on homemakers' pensions is that retirement income must be adequate in relation to pre-retirement income and it must be provided fairly among individuals and between partners in both one and two-earner families.

Last but by no means least, Mr. Speaker, let me touch on the proposed tax-assisted registered pension account, another vehicle for improved retirement savings, the RPA. By providing a more flexible way of saving for retirement years, the RPA will allow women to retain their pension benefits when moving from job to job. It is absolutely essential that women have this flexibility. The fact that employers will be able to contribute to an employer's RPA will be of significant benefit to the many women who work for small businesses. And that is another majority: more women work for small businesses.

I regard the RPA as a key link to improving the overall retirement income system for women. It can be used to accumulate retirement income by couples during periods when one spouse is not in the labour force. The revised limits on contributions will provide much greater scope for contributions through "spousal" plans as well. The provisions to base contributions on career earnings will also enable women to contribute more to tax-assisted pension arrangements in later years after their children have grown up. Often women or their husbands are unable to contribute to RRSPs in their children's early years because the money is needed for other vital expenses. With the proposed new system, they will be able to retain previously unused deductions and use them at any time right up to age 65. So there is time for them to catch up when they have the income to do so.

Women particularly will benefit from this change because of its greater flexibility over their lifetimes, both to make their own contributions and for their spouses to make contributions on their behalf. The locking-in provision under which contributions cannot be withdrawn until retirement will ensure that women benefit in retirement from contributions to employer-sponsored plans during their early years in the labour force. All too often, those few women who have been in private pension plans have withdrawn that money, again for all of those important reasons; they needed it to bolster the family income. It is important that they have a pension system into which those funds are locked, to guarantee that they have funds coming forward in retirement years.

● (1140)

I should like to remind the House that women own 30 per cent of unincorporated businesses in this country. That may come as a bit of a shock to many people. It is these women, these self-employed, the sole proprietors, who were at a disadvantage under the former limits on the contribution to RRSPs. A great many women, I might add, are employed by small and

The Budget—Mrs. Erola

medium-sized businesses. With the introduction of gain-sharing plans they will now have the opportunity to participate through their own efforts. I know, too, that these women who own small corporations, both the small unincorporated businesses and incorporated businesses, do the buying, the selling and the bookkeeping. I can assure these women that the changes in the Budget in the area of small business will be of great assistance to them. I am very pleased that we were able to meet their needs and reduce the complexity of corporate taxation for small business.

Let me conclude by stating that we all know that women work hard all their lives. We raise children, we manage households, whether we are in the labour force or not. We contribute to the ability of our husbands to earn higher wages. Many of us are single parents struggling to be mother, father, homemaker and wage earner. When we take home these responsibilities our opportunity to earn a living is reduced.

The difficult issue of women in pension reform is how to recognize this work load within a retirement income system which is largely earnings-related. I believe that the pension reforms announced in the Budget and which I have addressed today go a long way toward overcoming the problems and past inequities in this country's retirement system. Equally important, the proposed reforms can, with the approval of Parliament, be implemented quickly assuming co-operation from all Members of the House. Many of these measures, and I am referring specifically to those affecting the guaranteed income supplement and the splitting of pensions credits, could be in place in a matter of months. I urge Hon. Members to see that it is done.

Mr. McKinnon: Mr. Speaker, I should like to say to the Minister that I did not know she was going to speak next when I directed some questions to the Hon. Member for Okanagan North a few minutes ago.

The peculiar thing about the Budget is that with all the changes it is making, most of which I heartily approve in the way of treatment of pensioners, the Government did not seize the opportunity to put in these reforms immediately to pensions that it directly controls. I refer to civil service pensions, armed forces pensions, the pensions of judges and MPs, et cetera.

Mrs. Erola: Mr. Speaker, I think it goes without saying that these will automatically fall under the same jurisdiction and the benefits will flow to these people as well. It would indeed be a curious position if those people were not included in these reforms.

Mr. McKinnon: Mr. Speaker, I should like to question the date of their implementation. I have another question. The war veterans' allowance is tied to the sum of the Old Age Security and the guaranteed income supplement. In the case of a married couple it has been \$22.02 per month in addition, which is referred to as the WVA top-up. Incidentally, the Minister might wish to put it out on her network to the number of women who are living in poverty, aged 65 and over,