

Canada Pension Plan

have to maintain her plan? If they all move out, there is no reason for this plan, is there?

Mr. Benson: Mr. Chairman, in this very hypothetical situation, which my hon. friend has admitted it is, the Canada pension plan would simply cover the Yukon and North-west Territories.

Mr. Nielsen: Mr. Chairman, I want to assure the minister that, regardless of what happens, the Yukon and Northwest Territories intend to stick by Canada and the Canada pension plan.

Clause agreed to.

On clause 115—"Included province" defined.

Mr. Enns: Mr. Chairman, I merely wish to point out that if the committee is showing some impatience over the progress of this bill, it may be because hon. members are apprized of the real complexity of the measure before us. There is real reason to think this way, because we are now dealing with the clause on amendments, namely clause 115. It is apparently quite difficult to get amendments through once a clause is enacted. Am I correct in the following assumption with regard to subclauses (2), (3) and (4), clause 115? Subclause (2) says that any provision to alter either the contributions or the benefits of the plan shall come into effect earlier than the first day of the third year after giving notice; in other words, it takes a three-year period to really effect any change. Giving notice means giving it to all provinces that are participating in the plan. Furthermore, two thirds of the included provinces, representing two thirds of all the people, must have signified consent to the suggested amendments. Keeping in mind provincial elections, change of governments, and all the rest of it, I ask this question: Is this really recognizing the complexity of any alterations that will be made?

Miss LaMarsh: Mr. Chairman, this is probably one of the most difficult clauses that was discussed with the provinces. Its inclusion is one of the reasons why so many of the questions that have been raised this evening have been hypothetical. It provides, as my hon. friend can see, measures for any major change in the act. It means that all provinces will be consulted, will be aware of what is going on and will have something to say about it. There are subsequent provisions providing for reports of the chief actuary, economic reports, and things of that kind, to be given at that time. This is for a reason that I talked about

[Mr. Langlois.]

a year or so ago, and I think a reason with which all members of the house would agree, and that is to do away with some of the things that happen at election time.

A pension plan of this kind is put together with great care, and every time you change one of the factors in it you very seriously affect the fund and the capability of that fund to pay out pensions. Parliament has a contract with the people; we take their money, hold it for them and return to them a pension. If we enact this legislation we have to make certain that every person in Canada knows it is a charge on the country for always. You cannot lose what you have put into it. For that reason it was considered that the provinces should work together in ensuring that a government, which for one reason or another might find itself short of goodies just before an election day, would not decide that was a good time to raid the pension fund.

It will be appreciated that this has now developed into a pension plan with a fairly substantial reserve. I suppose it is, in a sense, more similar to the Swedish plan than to any other plan of which I am aware, at least. But because the funds here, unlike the Swedish plan, are not held by the central government but are sent out, in effect, in nine parcels across the country, anything which affects the size of that fund must necessarily affect the interests of the provinces. As my colleague has explained, these initial funds will be out for 20 years in the hands of the provinces on provincial securities. Let us say the province of Manitoba decided to invest all its funds in schools. Supposing it decided that in 20 years its growth would be enough that they could pay back this money, but right now they needed it, wanted to invest it and did so, and the federal government gave them the money which arose in the province of Manitoba, on Manitoba's securities. Supposing that is invested and in five years—

Mr. Monteith: On a point of order, Mr. Chairman, I really think the minister should be given a little more attention by the people sitting behind her.

Miss LaMarsh: I do find it very difficult to hear.

Some hon. Members: Hear, hear.

Miss LaMarsh: Then, the province having had its money, having put it out and built schools, not expecting to have to return it or worry about it for 20 years, in five years might decide that for the purposes of an election, for the purposes of satisfying the electorate, or to satisfy some demand on it, they