

Interim Supply

with the provinces—and surely this is the purpose of consultations with the provinces—we are now going to examine that plan in light of the views which have been put forward, and in light of the views put forward at two previous conferences with the provincial governments. I think this is the last such conference which will be required, and as a result of this conference and the exchange of written communications which will now take place in order to clear up some difficulties I think we can go ahead with a final federal pension plan. I am encouraged, Mr. Chairman, by the events of last week to say that the position of the provinces, who I hope will co-operate with us in the plan, and the position of the federal government, are both much closer than they were before the conference took place. I think the provincial premiers who were here would agree with that statement. The premier of Quebec indicated the intention of his government to stay out of the plan, as is their right, and to put into effect a provincial portable universal plan. But I think he would agree that as a result of the discussions last week and the final form which the federal plan will be taking, it would be easier for the Quebec provincial plan, if it is put into effect, to be dovetailed into the federal plan, or vice versa. So, as I say, I think it was a helpful conference from that point of view.

Mr. Diefenbaker: As the Prime Minister has raised the views of various premiers, were the views expressed by the premier of Ontario in keeping with that spirit of co-operation which would indicate that the province of Ontario and the federal government have now come to a position so analogous that there will be agreement in this connection?

Mr. Pearson: I have every hope that that will be the case, Mr. Chairman, but I think I had better let Mr. Robarts—and I am very glad to pay tribute to the constructive part he played in the conference—speak for himself and his government in this connection. But I am hopeful we shall be able to work together and that Ontario will co-operate in a national pension plan. However, it will be for them to decide.

Another point which was discussed concerned other benefits which might be included—provision for disabled contributors, for younger widows with dependent children and orphans. This is another matter on which we shall have to exchange information with the provinces.

A further subject upon which views were exchanged—and it is an important one—was this: what safeguards could be established in order to restrain any tendency—some dele-

gates thought it would be an inevitable tendency—to increase pension benefits without taking adequate account of the future cost and the effect on savings. I think we cleared up some misgivings which were in the minds of some of the provincial leaders that this federal scheme might, in the form in which they had studied it earlier, get out of control and ultimately have a bad effect on the financial stability of our country. We agreed that the provincial governments had a legitimate interest in this aspect of the matter and that some arrangement should be worked out by which the federal government will be able to co-operate with the provincial governments in the administration of the plan to see that this did not happen. There were some proposals put forward as to how this might best be done. I think we made progress in this direction and we agreed to continue the process by means of an exchange of briefs on some of the points which were not finally cleared up.

On behalf of the federal government we told the provinces that while we were willing and anxious to modify our plan in any way which seemed practical and desirable in order to meet provincial points of view and, in some cases, political apprehensions, nevertheless there were certain essentials in a federal contributory plan on which we must stand, and unless these essentials were embodied in any such plan we did not feel we could submit it to the House of Commons. Of course, the provinces wanted to know what these essentials were. They were outlined to the provinces during the course of the conference and they are as follows:

1. The plan must be as near universal as administratively practicable but with provision for voluntary participation.

On this point, there were some provinces which felt that the plan should be universal and compulsory so as to include all wage earners, whether self-employed or otherwise. Of course, that is a desirable thing and that is the objective to which we would be working if we had such a plan; but we felt it would be undesirable to make the scheme universal in a compulsory way from the beginning. The experience of other countries, notably of the United States, has shown how difficult this would be. We felt that the plan should be as universal as administratively practicable and that we should work toward the objective of complete universality.

2. It should apply up to the average level of earnings.

3. In combination with the flat-rate benefit, provide pensions which are modestly adequate for those who cannot make other provision for their retirement.