

Canada Pension Plan

to indicate its intention to operate its own plan, but to this date no province other than Quebec has so declared its intention.

Mr. Baldwin: Mr. Chairman, this brings up a question which has puzzled me for some time. I have read with some care the transcript of the proceedings of the committee. Unfortunately I was not one of those privileged to serve on the committee during the recess but I did take the time to read the reports. What concerns me is this. Obviously section 114 applies in a situation where a province has, under section 3, introduced a plan which is to all intents and purposes comparable with the national pension plan.

I think we must envisage a situation where some province may at some time wish to introduce a different plan. As you know, sometimes political parties seeking power think it is advantageous for them to make suggestions as to introducing pension plans of one kind or another. This sometimes yields political benefits. We may find an opposition party saying in the course of a provincial election campaign that they have a far better plan providing for smaller contributions by employers or employees and possibly, with careful management and manipulation, also providing for larger benefits. They may undertake to put such a plan into effect in two years and they may be elected.

Assuming they implement their election promise and introduce a plan which is not comparable and which, instead of a 1.8 contribution, provides for a smaller contribution and larger benefits, if that might be mathematically possible at some time in the future, then would this not be a situation where the plan of the province would not be comparable to the national pension plan? Under those conditions section 94A of the British North America Act comes into force and, as the minister understands, it provides that no law made by the parliament of Canada in relation to old age pensions shall affect the operation of any law, present or future, of a provincial legislature.

It is my submission that if a plan such as I have mentioned, not comparable to the national plan, was enacted by a provincial legislature, that plan is bound to be affected by the federal plan because it will provide for contributions and benefits on a different scale and therefore, within the meaning of section 94A, it must affect the provincial plan. The national plan affects the provincial plan. What then is the situation?

[Miss LaMarsh.]

I know that the minister may well say that this is hypothetical, that the plan we now have before us is such a good plan that no province is likely to attempt to alter or vary it. But we cannot take action today on that basis. This is a very distinct possibility in the course of time and perhaps in the not too distant future. What then will be the situation vis-à-vis securities? What will be the situation with regard to employers, employees and recipients? What will be their rights in the case of a province which takes such action?

This is a matter which has puzzled me. I read with some care the very useful evidence given by the person who drafted the bill. He attempted to deal with this point. I think he suggested you would first have to have a reference to the Supreme Court of Canada to decide if the two schemes were comparable. I am suggesting that the schemes could not be comparable, that if there was a difference in contributions or a difference in benefits the federal plan would cease to affect the people of that province. This is a situation which might well come about, having regard to the state of this country. What would be the situation with regard to the recipients, the contributors and the funds?

Miss LaMarsh: Mr. Chairman, this is a very interesting possibility raised by my friend, but I think it is a pretty remote one. I ask the committee to consider what the situation would be, for instance, 10 years from now. The people of Canada will have a considerable investment in their own pension plan. The plan will be in operation and will be a well accepted and well liked part of the social fabric of the country. It may well be that my hon. friend knows something about the similar plan in the United States and how thoroughly it is woven into the fabric of that nation.

It is true there is no way in which the federal government could prohibit any provincial government from introducing a totally dissimilar plan and perhaps might not be able to persuade it not to do so. However, my friend is a well experienced and skilful lawyer who has looked at the phraseology of the amendment to the British North America Act and may know that there is some conflict of opinion as to which of the jurisdictions has priority. May I suggest to him that if there is a scheme in operation 10 or 20 years from now which has a contribution rate of 3.6 per cent and another jurisdiction decides to impose a new and dissimilar scheme, despite the confusion that will be engendered,