

*Canada Pension Plan*

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, at the risk of indulging in a bit of repetition—and that has happened before in this place—I would like to emphasize the point that has been made by the hon. member for Hillsborough (Mr. Macquarrie), and just now by the hon. member for Edmonton West (Mr. Lambert), that the financing of the Canada Pension Plan is unique.

There are other propositions that are financed mainly by the contributions of people, for example, the pensions paid under Public Service Superannuation Act, but this one is even more strictly financed by those who contribute to it than any other. For example, in the case of the Public Service Superannuation Act the contributors provide the money out of which the pensions are paid, but the government provides the cost of administration. However, in the case of the Canada Pension Plan all of the administration costs are charged to the Canada Pension Fund.

As a matter of fact, if one will look through the estimates in the big blue book one will see, in the case of almost every department, some item that has to be the subject of a double entry so that every last penny that it costs to administer the Canada Pension Plan—including the salaries of those who work for the plan, including the rental of space, and all the rest of it—is charged to the fund. There is not one cent that is charged to the general revenues of the country.

I rely on my memory for what I am going to say for the next few minutes, and if I am found to be wrong I am sure somebody will draw that to my attention. However, I think my memory is pretty sound on this.

When the Canada Pension Plan legislation was brought in back in 1964—we dealt with it in 1964 and 1965—the government made the point that this was to be financed entirely by the contributors, namely the employers and the employees. Someone, therefore, raised the question as to why there was a Governor General's recommendation. My hon. friend close by says it was Mr. Nasserden, at the time one of the Conservative members from Saskatchewan. So, my memory is confirmed. The answer was that some government money would be needed as a loan initially to get the plan started, and it was only because there was some money needed in that first year that a Governor General's recommendation was required at all. To show how clean its skirts were, the government drove home the point that once the plan got going the government would not be out one red cent, or a cent of any other colour, and that the entire financing of the plan would be paid for by the contributors.

As I say, I am simply repeating what my two hon. friends nearby have said, but I think it applies with particular force in relation to this bill. Therefore, if my hon. friend from Hillsborough is merely proposing that which involves some other use of the funds that are in the Canada Pension Fund, in order to escalate pensions by more than 2 per cent per year, it seems to me he has the right to do that.

If I recall correctly, Sir, you were in the Chair in committee of the whole on March 30 when I moved an amendment having to do with the Public Service Superannuation Act. My amendment sought to establish the

proposition that certain reductions in the pensions of public servants who retire early should not take place.

**Mr. Francis:** I remember that.

**Mr. Knowles (Winnipeg North Centre):** My hon. friend from Ottawa West says he remembers it. I would expect him to remember that day. It was argued against my amendment that it was a charge on the treasury. I argued that it was not, that any extra money was to be drawn from an account, and I emphasize that I used the word account, not fund, but that the real test was that to put this amendment into effect would not require an additional vote of any money whatsoever. Your Honour found that amendment to be in order. In all fairness I should say you admitted that the point was not completely clear, but your initial reaction was to rule in favour of it and even after argument—I make the point that it was after argument—you ruled it was in order. It was then put to the committee of the whole. Later on, it was put to a vote. Unfortunately it was voted down, but for procedural purposes it stands as a precedent.

Now, I double back for a moment to make the point that in the case of the Public Service Superannuation Act, although the moneys that are used for the paying of pensions come entirely from the employer and the employees, the administration costs in that case are paid by the government, but in this case they are not—not at all. And I submit, Sir, that if you were right on March 30, as I think you were, in ruling my amendment to Bill C-207 in order, you should follow suit and rule this bill in order today.

**Mr. Robert McCleave (Halifax-East Hants):** Mr. Speaker, I wish to join briefly in the arguments that have been presented to Your Honour and to recall some of the wording in the resolution that was presented to the House when the Canada Pension Plan was introduced on October 28, 1964. But before I read portions of the resolution, I agree that up to that point the moneys had been spent by government departments with reference to the setting up of the plan, particularly with reference to the studies that had preceded the setting up of the plan, in that very special sense, involved an expenditure of tax moneys, of Her Majesty's revenues, in relation to that legislation. These moneys had to be spent so that the expertise established for publication of these ideas could be incorporated into the Canada Pension Plan itself.

• (5:20 p.m.)

As the hon. member for Winnipeg North Centre (Mr. Knowles) has recalled, the then member for Rosthern raised with the prime minister of the day the question of why there should be a resolution when the Canada Pension Plan was to pay its own expenses. There were exchanges between them, and perhaps I should read what the prime minister said then:

The fact is that it will cost some money to get this plan into operation, as my hon. friend must know. Afterwards, when the plan is in operation, the expenses will be borne by the fund.

I therefore suggest, Mr. Speaker, that the resolution that was brought in then was really for the technical