of the Canadian workers who would be participating in that contributory and compulsory pension plan are not in a position to face their daily obligations because of the cost of living.

I therefore wonder whether that pension plan can be called universal or compulsory.

There is a second point I should like to make concerning the stand taken by our group on that pension plan. It is that social security should normally come under the provinces according to the B.N.A. Act. We already saw, on the occasion of the first document concerning a universal pension legislation, last July, a public protest in at least two provinces, Ontario and Quebec, which objected and advanced sound arguments. Some of those arguments concerned the fact that reserves could be cumulative or accumulated. Other arguments pointed out that it would come in conflict with other plans already established or proposed.

Quite recently, at the end of last week, the minister of family and social welfare in Quebec made it clear that social security should constantly be reviewed, that it should increasingly be directed to our future needs, but in accordance with our present requirements; he especially declared that the state of Quebec should increasingly consider withdrawing from cost-sharing social security plans.

The contributions of workers and employers will support this universal or contributory security fund. However, the province of Quebec is demanding, in fields which are completely under its jurisdiction, the right to administer, according to the needs of its people and the views of its administrators, certain plans which would meet the wishes of the province. At this point, I am only paraphrasing the statement made by the minister of the family and social welfare of the province of Quebec.

When Quebec, or any other province, refuses to participate in this way, under the rights provided by the B.N.A. Act, it creates a paradox: whether the province refuses or not, it will contribute, though its population will not benefit. This has already happened in other fields where it made a contribution without reaping any benefit which was unacceptable to the province of Quebec.

Some suggestions have been made. The attitude of Quebec representatives now seems less rigid than last July as to the necessity of dealing with the matter of portable pensions between the various provinces, so as to enable our wage earners who, until now, contributed to some retirement on pension scheme, to benefit fully from a pension scheme with other provinces. On this point, there does not seem to be much opposition.

This may be discussed and decided on during the federal-provincial conference which will take place on March 30 next. But, meanwhile, we want our position to be known.

What is the basis of the universal and contributory pension plan?

It aims at enabling those people who are not earning enough to save for their retirement to benefit from a pension when they reach that age.

Mr. Chairman, we know that 37 per cent of Canadian workers do not earn enough to pay any taxes. On the other hand, the plan does not seem to apply to wage earners with an income exceeding $4,500. I wonder whether this is not an indirect way to attack those who already do not earn enough to support their families. In short, it is another form of taxation in disguise, nothing else, in the same way as a 1 per cent tax was imposed on all Canadian workers when a $10 increase was granted to 70 year old pensioners.

If this is the contributory pension plan, our group is entirely against it.

Responsibilities should be assumed towards those who have left the people the heritage we are now enjoying in the field of productivity, and I feel that the government should seek some other formula than that of collecting contributions from those who already do not earn enough.

Various suggestions have been made. It is not that we are in favour of the pension plan advocated by Premier Jean Lesage, under which the accumulated reserves would be used for the development of the province of Quebec, but the federal scheme provides for the building up during the first ten years of a reserve which could exceed $2,500 million. It is stated that:

> From 45 to 55 per cent of the plan's reserves will be invested by the Minister of Finance in the securities of provincial governments, or securities guaranteed by provincial governments—

If the reserves are used to finance the construction of bridges, schools and other projects which do not bring any return, the taxpayers will just have to pay twice. They will have to make their compulsory contributions and 10, 20 or 30 years later they will again be called upon to provide by way of taxes or loans the funds required to pay the pensions. Such is the pension plan provided by the government.

If we are, in principle, against some points of this contributory pension plan, it is not because we want to accept the plan of Mr. Lesage. We suggest that this is a way of draining the savings of the small wage earners to invest them in uneconomic projects on the part of the government.