

*Canada Pension Plan*

those who are 68 in the year following, but to stop at this point as far as the present bill is concerned. Then, during those two years I have mentioned, let us have this commission of inquiry to consider the whole question of retirement pensions and of assistance to those in need. Maybe the ideals of the hon. member for Winnipeg North Centre can be attained by means of such a commission.

I do not think any of us object to the raising of the money for pension purposes but we want to be sure that the money collected is distributed fairly and to the best advantage of those in the greatest need.

## [Translation]

**Mr. Perron:** Mr. Chairman, I only have a few brief remarks to make in order to obtain a clearer definition of all the implications which this resolution can entail from the fiscal point of view. I should like first to refer to the original bill presented last April, that is Bill No. C-75, which served as a basis for Bill No. C-136, following talks between the federal and provincial governments last June.

Since noon today it has often been stated that eventually further talks with the provinces will be held to consider the procedure to be followed for the application of Bill No. C-136.

On April 21, 1964, there were press reports to the effect that the house had accepted almost unanimously the principle of retirement funds. As a matter of fact, *La Presse* of April 21, 1964, reported the following statement from my colleague from Lapointe (Mr. Grégoire), and I quote:

The agreement between the Canadian government and the provinces illustrates what is meant by a real confederation of two nations where understanding is possible and where each nation will continue to govern its own destiny as it sees fit.

Mr. Grégoire stated that on the whole he was satisfied with the government proposals and that it was the first concrete step taken in the past two years to foster a better understanding between the federal and provincial governments and between the two great nations of our country.

Mr. Grégoire pointed out that yesterday's developments in federal-provincial relations should not encourage complacency. This is only a start, stated the member for Lapointe, and by 1967, he said, it should be possible for the provinces to opt out of joint agreements and plans and take over the whole field of income tax.

I appreciate that with this preamble you do not see exactly what I am coming to. Here it is: We do not know, in almost any sphere in Canada, what co-operative federalism means exactly. We have heard the Prud'homme version, that is the version of the hon. member for St. Denis, to the effect that co-

[Mr. Chatterton.]

operative federalism is a constant state of flux. A constant state of flux: That is wide, that opens many doors.

I understand that since April 1964 there have been meetings between the Minister of National Health and Welfare or her officials and the representatives of the Quebec government, and that Quebec stated rather clearly, I think, its rights and privileges to exert, in the field of social security, what belongs to it under the constitution. But I also understand that under clause 4 of this Bill No. C-136, we confirm a principle that several constitutional jurists have held, namely that in the case where the provinces do not use their right in the field of social security, the federal authority is justified to legislate. It is precisely under this social security provision that Mr. Godbout's agreements have been justified and that the constitution has been amended in order to authorize the federal government to apply a direct tax on the salary of all Canadian citizens at the beginning of the war of 1939-45.

I admit that there were other agreements, when it came to a so-called universal social security system making it possible to pay a pension to all people aged 70 and over.

There were also other agreements and I understand that in 1954, they were revised once more when consideration was given to the possibility of passing an old age assistance legislation, administered by the provinces but financed in part by federal revenue.

A new agreement was signed in that connection.

As I said, if co-operative federalism is to mean a constant evolution, I wonder how one is to interpret the bombastic statements of the Quebec premier when he speaks of a special status, of a further step towards the recovery of provincial taxation powers and of the province's possibility of recovering 43 per cent of income tax by withdrawing from joint programs. According to him, that would only be a beginning.

I wonder if clause 4 of the bill under consideration does not justify my comments on other sections of this legislation when I said that this would be tantamount to setting up a gestapo through the checking of anything associated with the application of the pension plan or, at least, of the principles of contributory pensions under a so-called national scheme, by federal inspectors, in the provinces where Bill No. C-75 seems to apply.

I do not claim to be an expert in constitutional law. But I must admit that I am terrified when I think of the problem arising