

as you will recall, that is, the pay as you go plan, the minister spoke very eloquently of the advantages of that plan. She told us however of the great dangers arising from creating a very large fund, and some people I think were very impressed by that part of her presentation, and there may have been some other recommendations. Might I ask if the minister would tell us what influenced her to depart from that principle.

Mr. CÔTÉ (*Longueuil*): I do not think we are discussing Bill No. C-75 now, but rather Bill No. C-136.

The CHAIRMAN (*Mr. Cameron*): Well, it may be a borderline question, but I think the minister probably would be prepared to answer it, and I would not be prepared to rule it as an improper question at this stage. It is a matter of asking a direct question as to why you changed your opinion.

Hon. Mr. McCUTCHEON: I do not think the minister would rely on that answer.

Miss LAMARSH: I do not think I could get away with it. Personally I say that most of the plans in the world are pay as you go plans. That was the government's original intention, but it was criticized by some individuals who, oddly enough, in the last year, came to change their thinking, and to go along with the plan, who would not have been so prepared a year or so ago. But the influence was, of course, the discussion among the premiers concerning this type of plan. The premiers had the benefit of their own economic and financial specialists for advice. Their reaction to the proposed Quebec plan was that of providing a greater degree of financing. It will be recalled that in Bill No. C-75 it was proposed that the resultant large reserves would be offered on a proportional basis to the provinces. The Quebec view was always very candid about the fact that it was moved by two considerations. The first was to provide protection to its citizens by a pension plan, and the second was to provide a fund for the development of its province.

Hon. Mr. McCUTCHEON: Is that the order of priority?

Miss LAMARSH: I cannot ascribe an order of priority to the province of Quebec, but both items were important considerations.

The more they talked about it the more the provinces became interested in the same kind of provision for their people, or so it appeared to us.

I think the Senator, at least in his former line of endeavour if not in his present, must have had many occasions when compromise required rather considerable changes on the one hand in order to get considerable changes on the other.

When the members of the committee have become more familiar with the changes as between this legislation and Bill No. C-75, relatively minor though they may be, they will find these changes are of two types, one being the things which we gave away, in a sense, for things which were given away to us. I think it is fair to say that the government does not believe in a fully funded plan or anything approaching it, and the alarm which I indicated at that time I still hold with respect to accumulation of very large reserves.

I think the Senator is aware, and most people are, that only one country in the western world has a scheme approximating that, and that is Sweden. They do not have many years experience; it is about three or four years.

Hon. Mr. McCUTCHEON: They are starting to express some concern about it.

Miss LAMARSH: The Senator and the committee may know that they are not just starting to express concern. That legislation caused the defeat of one government and it was only passed with one vote after an election. It has been a matter of concern throughout to the people of Sweden. That is a fully funded plan, a far cry from Bill No. C-136.

Pay-as-you-go