

Miss LAMARSH: With respect, how could one be more flexible? It is completely liberal. They can do whatever they want. It is not within the Canada pension plan. The Canada pension plan is what the committee is discussing. It is not the role of a witness to ask the committee for suggestions, but certainly if any member of the committee has suggestions on the way in which the federal government can intervene between some 7,000 employers and employees in their personal relationship I would be glad to hear them.

The CHAIRMAN (*Hon. Mrs. Ferguson*): I think we should end the discussion on this topic.

Senator McCutcheon has asked to speak. Did you wish to speak on this subject?

Hon. Mr. McCUTCHEON: I wish to speak on another subject and I do not want to interrupt anyone talking about integration.

Mr. CHATTERTON: In drafting this plan was consideration or serious study given to the possibility of certain groups of employees that are covered by the private plan to opt out, such as the provincial governments' employees.

Miss LAMARSH: I would be glad to deal with this.

There is no option given to provincial employees to opt out. This is a jurisdictional matter. The constitution does not permit us to deal with provincial employees.

I think what Mr. Chatterton was referring to was something which is normally called contracting out.

Mr. CHATTERTON: Yes.

Miss LAMARSH: And that is permitted in some jurisdictions.

The department has studied this for some considerable length of time. When I went to Europe last year one of the first things I inquired about, particularly from the United Kingdom where contracting out is permitted, was their opinion of this particular feature. I will be quite frank with you and say that representations were made to me on behalf of insurance companies, and made repeatedly, to permit contracting out.

As I say, I discussed this particular issue with the responsible officials, both elected and appointed. Their unanimous and candid opinion was that it should never be permitted.

I went into the background to find the reasons why it is permitted in the United Kingdom legislation. It happens never to have been a matter of debate at all in the United Kingdom. Both major political parties had promised a pension plan which permitted contracting out from the beginning, to avoid the obvious political difficulties and disturbance of any particular groups.

Officials of my department had been informed of this attitude earlier, and the more we discussed this the more we realized it was contrary to the very nature of a comprehensive scheme.

I would not want the members of the committee to think we did not give very careful consideration to contracting out, whether on a group basis, on an industry-wide basis, as in Sweden, or on an individual company basis as in the United Kingdom.

Hon. Mr. McCUTCHEON: What are the objections of the people who said it should never be permitted? Both governments, Labour and Conservative, in the United Kingdom have permitted it so why do they say it never should have been allowed?

Miss LAMARSH: Perhaps I might leave this for my deputy who is more familiar with it than I. However, I can say that all major parties in this country have said they believe in a comprehensive plan to apply to as many people as possible in this country. I appreciate that the upper chamber did

Contracting  
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