

Canada Pension Plan

Mr. Stenson: How soon can a province opt out of the Canada pension plan? How early can a province set up its own plan?

Mr. Benson: A province has to decide initially within 30 days of royal assent being given to this bill if it wishes to withdraw. Thereafter it must give at least two years' notice.

Mr. Stenson: A province can withdraw, then, within 30 days.

Mr. Benson: Within the first 30 days. But if a province does not take this course and enters the plan it must give two years' notice of withdrawal.

Mr. Stenson: If it withdraws within 30 days and has not got a similar plan—

Miss LaMarsh: The Canada pension plan will be enforced in that province unless within 30 days of royal assent being given to this bill the province indicates it will set up its own comparable legislation.

Mr. Stenson: If they agree to set up a plan similar to this one, could they, say, within a year's time, set up another plan?

Miss LaMarsh: No, Mr. Chairman. Under the provisions of this bill, once in the federal plan they would not be able to do so until two years had elapsed. This is provided in clause 3 which was passed last week.

Mr. Chatterton: I understood the question to be this: Can a province at any time after giving notice, set up a different plan. I understood the minister to say it could not. Could the minister check that reply?

Miss LaMarsh: In order to dislodge the Canada pension plan it would have to act in accordance with the provisions of clause 3, in other words it would have to give two years' notice and produce a comparable plan and undertake the obligations which go with the assumption of responsibility for pension benefits.

Mr. Chatterton: Yes, but I think the minister omitted to say—and this was placed before us in evidence—that provincial governments which opt out can in fact change their own plans in any way they see fit in accordance with their constitutional rights.

Miss LaMarsh: Once they are out.

Mr. Pugh: Suppose a province decides to make a change and gives two years' notice. Would the Canada pension plan be in full

[Miss LaMarsh.]

effect until the change-over in the province came into force?

Miss LaMarsh: Yes, it would. It should be appreciated that if a province were to opt out there would be, under the provisions of this bill, a great many agreements to be made between the province and the federal government. These would have to cover such things as the pensions of civil servants within the province, and so on. These might continue well beyond the period mentioned, depending upon the agreements negotiated.

Mr. Pugh: In any event they would receive all the moneys accruing under the previous Canada plan.

Miss LaMarsh: And the obligations as well.

Mr. Stefanson: These agreements would not require a province opting out to maintain a similar scheme. They would be effective only if the province opting out maintained a comparable plan. The province of Quebec, for example, has indicated that it might change the plan considerably in the interests of the people of Quebec. In this case these agreements would merely apply if the plan adopted by the opting out province remained the same as the Canada pension plan.

Miss LaMarsh: Once a province opts out and decides to go on its own course the agreements would terminate, no doubt. It is obvious the federal government cannot tell a province how to legislate. Once they go out, if they go out on the basis of having a comparable plan, taking with them the benefits and obligations, there is no way at all, either under this plan or under the plan which the former government proposed in the throne speech early in 1963, of preventing them. It is completely within the jurisdiction of a province to decide what to do under its own legislation.

Mr. Stefanson: At last the minister is being frank. If the government had been frank all along instead of trying to make the people believe that this is in all circumstances a national pension plan, we would have been better served. That is not necessarily the case.

Miss LaMarsh: Wait and see.

Mr. Olson: I should like to ask the minister or her colleague what their interpretation of "similar" or "comparable" may be. Perhaps I may put a specific question. If a province were to set up a plan with almost the same level of contributions and almost the same