

*Canada Pension Plan*

sentence again with respect to something else, but I would now like to quote what the minister said in reply to the point of privilege I raised last Tuesday when I complained about the cost of living bonus of 75 cents that is to be paid in 1968. As recorded at page 9938 of *Hansard* for that day the minister said:

I would ask my hon. friend and all members of the house to bear in mind that in the usual spirit of Canadian fiscal responsibility we are beginning this experiment in a relatively modest manner.

That was well put, Mr. Speaker. That is the way we have begun most of our social security programs in Canada. We began them in the usual spirit of Canadian fiscal responsibility, in a relatively modest manner.

We know there are certain things that happen which make it possible for huge sums of money to be made available overnight, and so we feel that in the whole area of social security the time has gone for talking about modest beginnings. The time has come to take the kind of steps that will let our economy provide the full measure of security that it can for all our people.

Another comment I would like to make about this bill is that the relations between the federal government and the provinces which are spelled out in it, seem to be too much of a one way street. I am thinking in particular of the provision whereby any province which informs the federal government within 30 days after royal assent to this bill that it has a plan of its own, is automatically out. This is a provision which was in Bill C-75, or at least there was language to that effect, and we know this covers the case of Quebec. But in addition to that there is a new provision in this bill which makes it possible for other provinces in the future to decide to opt out of the Canada pension plan. In fact the bill sets out the steps that can be taken by certain other provinces to opt out, but I do not see anywhere in the bill the street that runs the other way.

There does not seem to be any way in which Quebec, or some other province, having opted out of the plan can later come back in, and this is a one way street arrangement in federal-provincial arrangements which is not good.

I also believe that the arrangements as to whether an employee belongs to a province or to the federal government for purposes of this legislation are loaded in favour of the provinces. Again this is a one way street. I recognize what the minister said about legis-

[Mr. Knowles.]

lation of this kind succeeding only if there is co-operation between the federal and the provincial governments, but I suggest that co-operation and mutual arrangements work best on a two way rather than a one way street.

As I stated in committee on the resolution a week ago, I believe the government will have to do a great deal more in the field of public relations with respect to this legislation. I suppose we have to forgive the government for its lack of action in this respect, or understand why it has not taken adequate action up to this point. The government no doubt takes the view that it cannot use public money to publicize something which has not yet become law. But in the meantime many misunderstandings have arisen, particularly as to the relationship between this plan and private plans—the kind of misunderstanding which has led organizations such as the teachers to think this is something they must oppose. There is the misunderstanding created in the minds of employees of some large corporations because the notion has gone abroad that somehow or other the federal government intends to take over existing schemes as a result of which retirement conditions will be less favourable than they are now.

Once this legislation has been passed, however, it becomes the law of the land. Then I think the time will have come for a great deal to be done by the government to help the Canadian people realize what it really involves; the government will be free to help them realize its benefits and at the same time to help them realize its real shortcomings so that the people can work together to have those shortcomings remedied.

I have commented previously on the funding aspect of this legislation and one or two of my colleagues may have something more to say on this aspect of the subject than I intend to say now. But I wish to repeat what I said last Monday: It strikes me that this plan is neither a funded plan nor a pay as you go plan; it is in between the two. But it is a little closer to being a funded plan than it is to being a pay as you go plan, and to the extent it is in that direction I do not like it. The reason is simple. We are using a pension plan based on the need and desire of people for pensions, and the fact that they have to pay for them, as a means of taxing people in the lower income groups for the building up of investment and development funds. We in this party believe there should be funds available for investment and development. We wanted to see and have a