

Canada Pension Plan

then the federal government would be faced with the question of what it would do. It would have to move in conjunction with the provinces to get unanimous consent to increase the rates. The only other alternative would be to transfer it in some way into general taxation, and that is not contemplated by this clause; therefore the clause would have to be revised.

Mr. Chatterton: I understand the minister thinks it inconceivable that it could happen, but in the history of Canada some very queer things have happened. In fact one of the provinces wanted to print its own money. So you can never tell what may happen in the future. All kinds of parties have arisen recently, crazy, upsidedown parties which no one would ever have thought of 20 years ago. One province recently indicated that by a certain amendment to a piece of legislation it would be able to hold a club over the head of the government of Canada.

This particular provision, it seems to me, would provide some province in the future with a useful club; it is the government of Canada which will be on the spot, because it is responsible for paying out the pensions. It would be wise, it seems to me, for the government to have prevented such a possibility arising. The minister said it would be inconceivable that it should occur, but he did not say it was impossible. Does he not agree that it would have been prudent to make provision in clause 115 that this arrangement involving two thirds should not apply in the circumstances I have described?

Mr. Benson: That clause was included, as the hon. member knows, because the provinces wished to have something to say before the government of Canada could materially change the contribution rates or the benefits under the plan. I think that is a logical attitude to take.

The hon. member suggests we might reach a stage where the fund was exhausted yet the provinces would not agree to our increasing the rates. This would, of course, present a situation of great difficulty. But I maintain it is inconceivable that the provinces would agree to this happening, or want it to happen. As a matter of fact, long before such a point, as soon as their investments began to be drawn upon they would probably encourage the federal government to increase its rates.

As I say, I cannot conceive of any responsible provincial government behaving in the way the hon. member has suggested, a

[Mr. Benson.]

way which would leave them open to the accusation that they were depriving their people of pension rights.

Mr. Lambert: I think the minister might have used the word "realistic" instead of "responsible" in that particular context. But the hon. gentleman has drawn attention to a dilemma which arises with regard to this particular question. In the event that the cash requirements of the fund might exceed the amounts held, there is no provision for an advance to be made from the government of Canada to the consolidated revenue fund in order to tide over a temporary deficit. I would have thought such a provision would be necessary as a safety valve. I am sure the hon. gentleman realizes that payments out of the fund represent something as inexorable as the waves of an ocean; there is nothing a responsible minister can do to stop them.

In this clause everything is referred to as a contribution going to the consolidated revenue fund. There is no provision for a charge against the consolidated revenue fund as such as far as the pension plan is concerned. The Minister of National Revenue has been at pains to say these are contributions to a self sustaining fund. Yet there have been rulings that alterations proposed to the plan should not affect taxation. With the greatest of respect I do not see how one penny charged under the Canada pension plan can in any way affect ways and means. I have been astonished at some of the observations in this regard and by some of the resulting rulings.

The dilemma to which I referred arises right at this point. Either these payments are contributions or they are taxes affecting ways and means. They cannot be both. I want to make sure that the minister leaves us in no doubt as to the position he takes. Are these contributions or are they taxes? He cannot have it both ways. If they are to be deemed taxes—and a lot of people maintain this is the correct view—then the government accepts the contention that contributions under the plan are a form of taxation. On the other hand they may be deemed contributions to a contributory pension plan, in which case any talk about taxes, any talk of ways and means so as to place limitations on these amounts, is illogical and inaccurate.

Mr. Benson: I do not wish to engage in polemics with the hon. gentleman. One hon. member got up in this chamber and said he called the contributions taxes. I said earlier in this debate that if he wanted to call them