

Canada Pension Plan

ask us what they should do; and in this as in all matters I think the best advice one can give them is that they are to be liberal.

Mr. Monteith: Well, I cannot let that go unanswered, Mr. Chairman. I think it is only logical that I should take issue to some extent with the minister. However, I will say that even the most conservative employer and the most conservative employee will probably more readily get together than the liberal ones.

If I can just put in a nutshell what the minister implied in her answer to the hon. member for Winnipeg North Centre, it was that she was talking about crown corporations. But integration is entirely the responsibility of the employer and employee between them in any private pension arrangement with which the crown has nothing whatever to do.

Miss LaMarsh: That is correct.

Mr. Knowles: In the best democratic fashion.

Mr. Horner (Acadia): Mr. Chairman, I think we should have a little more clarification of this clause before it carries. One question which concerns many Canadians across the country who already contribute to a pension plan is whether they can integrate or whether they cannot. The minister has said that outside of crown agencies—correct me if I am wrong—integration in the 5,000 odd plans across the country will depend solely upon the employer and the employee. Let us think about that for a minute. Getting down to the basic facts of the matter, as I see it, it will depend solely upon the employee and the government. The minister shakes her head in disagreement and that is fine, because before we can reach an understanding we must know where she stands. She disagrees with that analysis of the situation, but that is the way I see it. The administration of many of these 5,000 odd pension plans is carried out to a large extent by the employee himself. I say that integration of these plans will fall upon the employees and the government.

I would ask her what the government is doing to assist these employees who manage and look after these 5,000 different plans to integrate them with the Canada pension plan? Surely she can outline some basic steps which they must follow, whether integration is feasible, and so on and so forth.

Miss LaMarsh: I must disagree with my hon. friend. The government has nothing to do with that; it is beyond our jurisdiction.

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Because it became a problem for a lot of people, we did one thing which might be significant. The provinces were concerned about how they might integrate plans for provincial employees, for teachers, and in some cases even for municipal employees, and we sent an official of the federal government, one of the people on the advisory committee, across the country to consult with and advise—when they asked for advice—individuals whose responsibility it will be on behalf of provincial governments to effect the integration of schemes in relation to which the provincial governments are in the category of employers. I might say I explained this earlier to the committee and it was an extremely successful trip, as a result of which there appeared to be no problems unmet.

I also explained to the committee that 75 per cent of the people covered by the private schemes which are in existence are covered under trust company schemes; that is, the carrier is a trust company. About 25 per cent of those covered have insurance companies in Canada as carriers. The trust companies, as I informed the committee, have written to the government and pledged their support. They have been in consultation with my officials and officials of the Department of Finance, and I have every reason to expect that they are very busily engaged across the country in making propositions to employee-employer groups, which have trust provisions in their pension schemes, suggesting methods of integration. In many cases plans will not be integrated. I remember one scheme on the west coast which has a provision which ties the scheme to anything that the federal government does in respect of old age security, and any increase in the O.A.S. pension has an effect on that scheme.

Unless employees are in a position to bargain with their employers, whatever changes are made will be entirely at the option of the company, and there is nothing the federal government can do in this regard. I think all hon. members of this committee will appreciate that what we are talking about is private contractual obligations between groups of employees and management. Many of these arrangements have been negotiated over a period of years. Many of these arrangements were started as a consequence of war-time provisions, in order to give added benefits to employees because wages could not be increased. Many of these plans have been developed over the years. Many of them have not been changed and do not now have adequate provisions.