

### A NATIONAL PENSION PLAN

The following statement was issued on September 9 by Prime Minister Pearson:

The purpose of the Canada Pension Plan is to make it possible for all Canadians to retire in security and with dignity.

Since the plan was introduced to the House of Commons, another measure directed to the partial achievement of the same objective has been proposed. The Legislature of the Province of Quebec has passed a resolution directed to establishing a public and universal pension fund in that province.

The Federal Government believes that it is to the advantage of all Canadians to have a basic standard of contributory pensions related to incomes up to an average level. Such pensions ought to be portable throughout Canada.

The Canada Pension Plan can provide these advantages, and provide them soon.

#### CONTENT MORE IMPORTANT THAN FORM

It is, however, the substance of this social advance for the people of Canada that is important, not the form in which it is achieved. Each province has the right under the constitution to legislate about pensions within the province. The Federal Government, while it also has the right to legislate in this field has no intention of entering into a competition with the provincial governments in a matter of common jurisdiction. Such a competition could lead to excessive costs for the financing of pension schemes. It would be bad for the people of the province or provinces affected. It would be bad for Canada.

The Federal Government therefore seeks ways of ensuring that adequate pensions are made available to all Canadians, not by competition between governments but through their co-operation in this common field of shared jurisdiction.

Since the proposed Quebec pension plan would apply comprehensively in that province, it is not an obstacle to the Federal Government's national objective of ensuring pension coverage for everyone. The Federal Government believes that the Canada plan and the Quebec plan could contain provisions enabling anyone, whatever his or her occupation, to move between the two plans without loss of pension coverage.

If this expectation is confirmed, the Federal Government intends to propose in its legislation that contributions under the Canada Pension Plan will not

normally be required of people whose terms of employment come within the jurisdiction of a province which has a universally available pension plan providing comparable benefits.

It is more than ever important, however, that the universal federal pension of \$65 a month should be increased to \$75.

That the increase is required is undisputed. But to urge it is irresponsible unless there is a recognition that it must be paid for. For this reason, the Government's proposals have linked the additional \$10 benefit to the payment of contributions under the Canada Pension Plan.

#### AN IMMEDIATE PENSION RAISE

However, if such contributions are not collected in all provinces, it clearly would be unfair to the people of other provinces to finance the additional payment to all older Canadians out of reduced contributions. In view of this possibility, the Federal Government will propose to Parliament that the additional \$10 be paid out of the Old Age Security Fund, as the \$65 already is. At the same time, Parliament will be asked to approve the raising of the additional revenues required by the fund for this purpose.

A measure to amend the Old Age Security Act will be introduced soon after the re-assembly of Parliament. The Government hopes that this measure can be passed quickly, so that the increased old-age pension can come into effect from October onwards.

Apart from the increase of \$10 in the basic pension, the Canada Pension Plan relates benefits to contributions. The other financial features of the plan will, therefore, not be appreciably affected by the absence of both contributions and benefits in a province which is instead operating a universal plan for itself. It must, however, be noted that, if a number of provinces were to establish their own plans, the administrative problems involved in providing portability between provincial plans and with the Canada Pension Plan would be much increased.

The Federal Government will proceed with the Canada Pension Plan in the belief, which it hopes the present conference will confirm, that provincial governments share its objectives. Those objectives are that better pensions be provided as quickly as possible, by methods which are sound and responsible and which ensure that the benefits are available to all Canadians, including those who move from one province to another.

#### IDB HEAD IN OTTAWA

Dr. Felipe Herrera, President of the Inter-American Development Bank (IDB), arrived in Ottawa on September 9 for discussions with the Prime Minister, the Secretary of State for External Affairs, the Minister of Finance, and senior government officials. During his stay in Canada, Dr. Herrera also visited Toronto and Montreal, where he met with officials of Canadian chartered banks and insurance companies.

The main purpose of Dr. Herrera's visit was to acquaint the Canadian Government and members of the financial and business community with the aims, operations and achievements of the IDB. Dr. Herrera had previously made a similar visit to certain Western European countries. He was accompanied while in Canada by Mr. R.B. Menapace, Financial Adviser of the IDB, and Mr. Carlos A. Paz, Treasurer of the Bank.