paper over the one we had last July on this question. We think still further improvement is needed in this respect.

I should like to say a word about the plan being funded. This, of course, is the source of a good deal of argument. One can argue both ways as to whether the plan should be funded or whether it should be on a pay as you go basis. I submit this is an area in which there is a great deal of hocus-pocus practised on the people, and that in the end any pension plan is actually a pay as you go proposition. I submit that what you have in connection with this plan is a development fund attached to a pension fund. Well, if that is what we want, let it be clear that is what we are doing. We do not think it is a good enough substitute for the Canada Development Corporation. We think that this is a case in which you are taxing the people, at the same time you are asking them to contribute to their pension, to build up a fund for development purposes, whereas that kind of fund should be built up more honestly, as was provided for by the Canada Development Corporation about which we heard so much last year. However, the Minister of Finance did not even breathe a word about it in his budget speech of last night. We are pleased that this seems to have provided a basis for a better understanding between the federal government and the provinces. But we think that there should be not too much fooling of the people about this. After all, to the extent that we are building up that fund we are taxing people for purposes other than the paying of their pensions.

**Mr. Douglas:** Taxing the wrong people, too.

**Mr. Knowles:** We are taxing the people who can least afford to pay the additional amount of taxation.

Now, Mr. Chairman, a point about which we feel there should be a good deal of thinking is the whole question of the way in which this plan is integrated with existing plans. The hon. member for Perth may say he made a good deal of this, and he did. I suggest to him that even on this point he should read the white paper. There are some interesting comments in the white paper on the subject of integration with other plans. I still would urge upon the government that this is an area where a great deal of thinking has got to be done, where a great deal of work has yet to be done. The minister said this afternoon that the federal government is not in a position, by law, to compel other pension plans not to be altered as a result of the introduction of the Canada pension plan. This statement is repeated in the white paper. I understand that and I agree with it.

However, I submit there are people who are worried. There are employees who are working for firms that have pension plans where the management is saying, "Well now, just a minute; we are not going to make any changes until we see how this new plan works." There are threats to people that existing pension benefits will be reduced because of the benefits being provided under the Canada pension plan. I agree with all that is said in the white paper about adjustments, and that there is time to make these adjustments in the ten-year period. However, I feel the government has been negligent in not doing enough public relations work in this field. I believe there should have been more consultations with the trade union movement with organizations like the Canadian teachers federation, with provincial governments and with various bodies that have pension plans, to make sure that the adjustments will be made without any loss to the participants in those various other plans. It is still true, I agree, that most Canadian people do not have this kind of protection, and we should call upon those who are in pension plans to recognize that what we are doing here is trying to improve the position for everybody. However, I suggest there is a job to do in the field of integrating the Canada pension plan with the various existing plans.

I welcome the statement in the white paper to the effect that provincial governments will be permitted to bring their civil servants under this plan, if they wish to do so. I also welcome the statement that federal civil servants will be included in the plan, no matter where they live, no matter where they are employed in Canada. These are good announcements. We are moving in the right direction. Let us do all the things we can to see to it that the plan does provide universal coverage and that all these various angles are covered.

**The Chairman:** Order; it is my understanding that hon. members have agreed that the spokesmen for the various parties would be allowed to go over the 30 minute limit.

**Some hon. Members:** Agreed.

**Mr. Knowles:** I am grateful, Mr. Chairman, but I will not take advantage of that courtesy for more than just a few minutes.

As I have been trying to point out we think this plan, in essence, is good. We have tried to point out the things about it that we regard as good. We have indicated also those various points we feel need to be gone into. We hope that the bill will get second reading soon and that it will go before a special parliamentary committee when we