

Canada Pension Plan

Mr. Monteith: Mr. Chairman, this morning we had an amendment to clause 6 which in the future will possibly allow members of the R.C.M.P. and armed forces to have their plans integrated with the Canada pension plan. If this develops it will bring under the Canada pension plan a large number of Canadian citizens who otherwise would not be covered. I should like to point out that in subclause 2 of clause 6 we are dealing with excepted employment and subclause 2 (j) reads as follows:

2. Excepted employment is...

(j) employment in Canada by the government of a country other than Canada or by an international organization.

I seem to recall that in the committee it was mentioned that those involved would not be a large group. The figure of 5,000 runs in my mind. Maybe this does not seem like a particularly large group of Canadian citizens but we feel that they should be allowed to participate under the Canada pension plan. We realize the difficulties in suggesting that a foreign government should pay toward the Canada pension plan, but we believe that these Canadian citizens working for foreign governments should have the opportunity of participating in the Canada pension plan if they so wish. The government has indicated that it wants to see the greatest number of Canadians possible covered by the plan, so to try to assist in achieving this end I move:

On page 8 in line 23, amend subclause 2(j) of clause 6 by adding after the word "organization" the following words:

"except that a person so employed may elect, in prescribed manner and form, to have his earnings deemed to be self-employed earnings; or"

I do not see how we can get them under the pension plan at the regular employee rate of 1.8 per cent of wages. Consequently we suggest that they be given the opportunity to elect to be regarded as self-employed. It is true that they would pay double the rate of the average employee but they would not be paying a higher rate than any other self-employed person in Canada.

Miss LaMarsh: I wonder whether I might say something. This amendment would mean that if a foreign government will not sign an agreement with the federal government with respect to its employees, the employees of that government working in Canada would have the right to come in as volunteers by paying double the rate. But I should like to point out what would happen. The effect

[Mr. Pugh.]

of this amendment would be to put pressure on the foreign government never to sign an agreement and to penalize all its employees working for it. It would indicate to the foreign government that if it did not sign an agreement, and refused to pay its 1.8 per cent, its employees could still join. This would place on the individual employee the obligation, if he chose to accept it, of paying double. We have no indication that there will be any difficulty with any foreign government with respect to its employees in Canada who wish to become participants in the contributory pension plan. I fail to see that the problem is so urgent as to justify the amendment which my hon. friend has put forward. We feel it would not be in the interests of these employees but would in effect penalize them.

Mr. Lambert: May I say I can see some of the arguments put forward by the hon. lady, but what concerns me is that Canadian citizens, whether employed in a consulate, embassy or what have you of a foreign country, are absolutely at the mercy of whatever the result may be of the negotiations between the government of Canada and the government of the particular employing country. I do not think this is fair at all. If a country refuses, surely to goodness the employees, realizing the situation, will want to enter into the plan; but as the legislation now stands there is a prohibition against such employees ever coming under the Canada pension plan. In other words, such employees will be faced with this ultimatum: If you do not like it, give up the job. That is all there is to it. Participation in the Canada pension plan is definitely going to become part and parcel of working conditions. If this is not so, then the whole thing is going to go down the drain as being worthless. I say it is wrong for these employees to be placed in the position where they may be told: "Tough luck, but your employer will not sign an agreement with us and therefore you cannot join." If a particular country does not sign an agreement, and I think most of them will, I would prefer to see an alternative whereby the employee will have the right to come under the plan as a self-employed person. After all, why deny them that right? You are making a second class job of it.

Miss LaMarsh: I am sure my hon. friend does not mean to put the case of those who