

Administration

In my speech in the house a week ago, I pointed out that the administrative arrangements for the Canada pension plan had been designed to take advantage of existing machinery for collecting contributions and paying out benefits. I also described how this administration would be co-ordinated with the provincial administration in the case of Quebec. Mr. Monteith asked if my departmental officials were going to be given access to the income tax records of the Department of National Revenue. This and other details of internal administration will be discussed by the committee. At this stage I might make a few brief remarks.

The arrangements will be as follows: Employers will remit their own and their employees' contributions every month to national revenue as they do now with income tax deductions. Once a year, using the T4 slips, employers will report the annual earnings and contributions of each employee, giving his name and social insurance number. These earnings data will be aggregated by national revenue to determine actual average earnings for construction of the earnings index. Information about contributors—name, number, amount of pensionable earnings, and amount of contribution—will be transferred to magnetic tape which will be passed to my department. This information is, of course, basic to the operation of an earnings-related scheme. The Department of National Health and Welfare will not have information about people's incomes other than their pensionable earnings under this Plan. My department will be responsible for maintaining a record of earnings for each contributor, and for establishing his eligibility for benefits and the amount of his benefit. It will also be responsible for administering the retirement test.

Once a pension has been approved for a contributor, the comptroller of the treasury will be asked to issue him a cheque for the appropriate amount. This cheque will include his old age security pension if it has been claimed and approved. As there is no computer in my department, at the outset of the plan, the comptroller will actually maintain the record of earnings and calculate the amount of the pension. My department's regional offices will handle all queries from contributors about their entitlement or earnings record.

The Unemployment Insurance Commission will expand its index of insured people under its program to include people who are covered only under this program. It will thus assign all social insurance numbers and maintain the master index.

I discussed with my officials whether I might have my signature and perhaps my picture on this cheque, but the idea was not received very well. So I suppose it will be the signature of the comptroller of the treasury, as usual.

I regret that this is such a lengthy statement, but in order to do this at one time, it is necessary to go into this much detail.

Federal-Provincial Consultation

In my remarks last week, I emphasized the unique constitutional position that exists regarding pension legislation. I pointed out that our legislation must ensure continuing consultation and co-operation with the provinces. To make such consultation mandatory, section 115 of the bill provides that amendments of substance will require the consent of two-thirds of the provinces having two-thirds of the population. With the present distribution of our population, as honourable members know, this means that Ontario must be one of the consenting provinces if the amendment is to be made. There is also a provision that amendments which alter the general level of benefits and contribution rates can only be made after a notice period of at least two years.

Mr. Chatterton asked what would happen if 25 years from now the funds are depleted and Ontario refuses to agree that the act should be amended so as to increase the contribution rate. It is difficult and perhaps impossible