adequate to provide for all benefits including attachment of the pension index to old age security benefits and the payment of reduced benefits at age 65.

Turning now to the Canada pension plan benefits, these are to be financed by employer and employee contributions of 1.8 per cent each as indicated in clauses 8 and 9 of Bill C-136. In the initial stages the first $600 of earnings will be exempt and the maximum contributory level will be $5,000 so, that the maximum possible contributions will be $79.20 each for employer and employee. It is, I believe, worth noting that an earnings index is provided in the bill itself so that both the exemption and maximum contributory earnings can be adjusted as the general wage level rises.

Contributions by self-employed persons are exactly equal to the combined contribution of employer and employee, with the difference that no contribution need be made unless earnings are $800 per annum or more.

I should point out that on an income of $5,000 the self-employed will contribute exactly the same amount as the combined contribution in the case of an employed person.

The responsibility for the collection of contributions to the Canada pension plan which, as I mentioned, is the responsibility of the Department of National Revenue, will be assigned to the taxation division where integration with present operations will provide maximum efficiency at a minimal cost. Divisions "C" and "D" of part I of Bill C-136 provide strict rules, rules which we believe are essential to assure that deductions from employees, employers' contributions and required payments by the self-employed are made in order that they may be credited to the person who will ultimately benefit.

One of the features of Bill C-136 is that it provides for a pension plan which will be uniform with respect to contributions and benefits across the whole of Canada. In order to accomplish this it will be necessary to have close co-operation with all provinces, especially a province which provides a parallel comprehensive pension plan. It is hoped this will be accomplished by first of all having essentially similar legislation, that is, legislation providing for the same benefits and obligations in respect of individuals who change their places of residence; second, by having a reasonable exchange of information concerning pensions and, next, by providing for agency arrangements under which one jurisdiction can make payments of benefits on behalf of both jurisdictions and be reimbursed for its share by the other party involved. A similar arrangement whereby a person need only apply to one or the other jurisdiction for refund of an overpayment of contributions is provided. Finally, Mr. Speaker, we must have a common set of rules concerning pension administration across the whole of Canada.

In order to achieve these ends it is assumed that Quebec, the only province which has indicated its intention to establish such a plan, will pass a bill similar in all essentials to Bill No. C-136 as finally enacted by this parliament. Clause 103 of Bill No. C-136 provides for the establishment of country-wide social insurance numbers; clause 108 of the bill provides for the exchange of information concerning contributions credited to individuals in the two jurisdictions; clauses 82(3) and 40(3) provide for the transfer of funds between the government of Canada and a province having a comprehensive pension plan; and clause 87 provides for the pension appeal board hearing, if the provincial law provides for it, appeals made under a provincial pension plan so that a common jurisprudence may be developed.

Finally, Mr. Speaker, I wish to deal with the handling of the excess funds which will accumulate in the early years of the Canada pension plan. Clauses 110 to 114 of Bill No. C-136 deal with the handling of moneys received under the Canada pension plan and briefly they provide as follows: First of all, all funds received will be credited to the Canada pension plan account, including contributions and interest on securities. Second, out of this account will be paid the benefits payable under the plan and the costs of administration of the plan, and no other payments. Third, where an excess of funds is available beyond estimated payments required in the following three months, such funds will be available for purchases of securities of participating provinces or of the federal government. The proportion available for investment in the securities of any particular province is the proportion that amounts received from contributors of that province for the previous period up to 120 months is to the total of contributions received. The balance of such amounts not required for investment in provincial securities is to be invested in government of Canada securities.

Mr. Speaker, in order to ensure liquidity the Minister of Finance is authorized by this bill, on advice of the chief actuary, to specify the term of any provincial securities. The rate of interest to be charged on such pro-