

Canada Pension Plan

or less remain the same, should the province of Quebec ever decide to oppose increasing contributions or making changes in this field, the support of one province would suffice, or should Ontario be in the same boat, the consent of only one other province would suffice to maintain the status quo.

I simply wish to draw the attention of the house to the fact that some are objecting to this two thirds formula or one third of the provinces. Personally, I think it is about the only protection which this bill affords the provinces and I suggest it should be maintained for the time being.

[Text]

The Chairman: Shall the clause carry?

Mr. Knowles: On division.

Clause agreed to, on division.

Clause 116 agreed to.

Clause 117, as amended, agreed to.

Clause 118 agreed to.

The Chairman: Is it the desire of the committee to return at this time to the clauses which have been allowed to stand?

Mr. Monteith: Mr. Chairman, the Minister of National Revenue intimated that he was going to make a statement on clause 97, but to my knowledge this clause has not been stood. Therefore I was wondering whether this might be a good time to make that statement.

Mr. Benson: Yes, and I will do so with the permission of the committee. This is to clear up a couple of points I raised with respect to clause 97 because I felt that I had been less than clear in my explanation.

There are, Mr. Chairman, two changes that I should like to make to the answers I gave several days ago to questions raised on clause 97 by the hon. member for Esquimalt-Saanich which dealt with the record of earnings. The first amendment relates to the manner in which pensionable earnings for a month are determined. All information is recorded in the record of earnings on an annual basis and has to be recorded in sufficient detail for each contributor to permit the unadjusted pensionable earnings for each year to be determined. The definition of unadjusted pensionable earnings is contained in clause 53, and the manner in which these amounts are calculated is illustrated in examples No. 6, No. 8 and No. 9 on pages 180-183 of the proceedings of the special joint committee.

To determine the amount of a pension payable to a contributor, the unadjusted pensionable earnings for a year must first be converted to monthly amounts. The manner in which this is done is described in clause 52. In effect this is accomplished by dividing the amount for the year by 12, except in those special circumstances mentioned in that clause, in which case the amount for the year is divided by the number of months that are appropriate. Therefore it will be apparent from the above that the actual number of months in a year for which contributions were made is not material.

The second amendment I wish to make has to do with the manner in which the record of earnings is protected in the event there should be a fire or accident at the computer centre. In the early years, at least, the record of earnings will be maintained by the comptroller of the treasury for the Minister of National Health and Welfare under the provisions of clause 95. Under the system proposed the record of earnings will be produced by computer operation and recorded on magnetic tape. These very important records will be protected by keeping at a different location magnetic tapes containing such other information as would be necessary to permit the reconstruction of the record of earnings if it should for any reason be destroyed or made unusable. These are the normal conventional techniques which are adopted, and are recognized as adequate by computer users who have important records to protect.

The Chairman: The committee will now return to clause 6.

On clause 6—*Pensionable employment defined.*

Miss LaMarsh: Mr. Chairman, with regard to clause 6 the government proposes an amendment as a result of discussions which took place in the pension committee. It may be recalled that the aim always with respect to this legislation has been to cover as many Canadians as is administratively feasible. From the beginning the Royal Canadian Mounted Police and the members of the armed forces were not specifically covered. As has been explained many times, this arose by virtue of the fact that they already have pension arrangements which are quite different from those under the present bill, particularly because they call for a very early retirement. However, after listening to the officials and various witnesses it was the