

Canada Pension Plan

to present a motion containing the names of the members of this committee?

Mr. McIlraith: Mr. Speaker, the list of names has not been completed as yet, but I hope it will be, immediately second reading is given. I asked for them on Friday, and I hope to have them very quickly.

PROVISIONS FOR ESTABLISHMENT OF
CONTRIBUTORY PROGRAM

Hon. Judy V. LaMarsh (Minister of National Health and Welfare) moved second reading of Bill No. C-136, to establish a comprehensive program of old age pensions and supplementary benefits in Canada payable to and in respect of contributors.

She said: Mr. Speaker, members of the house have now had an opportunity, even though a short one, to examine the Canada pension plan set out in Bill C-136. One can appreciate from its length and complexity the difficulty I face in endeavouring to cover adequately the provisions of the measure in my statement on second reading. I propose to deal with a number of the more important aspects. A number of other areas of special interest and importance will be discussed by the Minister of National Revenue (Mr. Benson), whose department will be responsible for the administration of coverage and contributions, and by the Minister of Finance (Mr. Gordon) who is concerned with the financial and economic implications of the plan.

We are concerned at this second reading stage with the principles of the bill. It is apparent that there will be many detailed points which will need more explanation than can be given in these statements. The parliamentary committee will provide the opportunity for this, after approval in principle is given and the bill referred to it.

When speaking last week on the resolution preceding this bill, I emphasized that our objective was to have as comprehensive coverage as possible under this plan. Therefore I should like to make a few remarks about the question of coverage.

Only a few groups have been excluded from coverage, and these have been for constitutional, legal or administrative reasons. The crown in the right of Canada has not the power to require employer contributions from the crown in the right of any province: for this reason provincial government employees and provincial crown agency employees cannot be covered unless the province concerned wishes to enter into an agreement with

[Mr. Knowles.]

Canada to have its employees covered and to pay the employer's contribution. Similarly, employees of foreign governments or international agencies will only be covered if their employer enters into an agreement to pay the employer's contribution. As I mentioned last week, members of the armed forces and the R.C.M. Police will be excluded from the plan because of the special provisions for relatively early retirement that are already made for them.

Because of the administrative difficulties involved in reaching them, certain groups of migratory workers have also been excluded from the plan. In agriculture, horticulture, fishing, forestry, logging and lumbering, a worker who does not spend at least 25 working days a year with the same employer, or one who does not earn at least \$250 a year from the same employer, will not be covered under the plan. Most migratory workers in this country have other employment for much of the year, and spend less than 25 days on one job in these primary industries. The \$250 a year represents an income of \$10 a day for 25 days; it is also the amount of income a married woman can earn without affecting her husband's taxation status. It may be of interest to compare these provisions with the provisions of the United States program where farm workers are excluded from coverage unless they work for one employer for at least 20 days a year and earn at least \$150.

I am often asked about the baby sitter or about the man who cuts your grass or shovels your snow or paints your fence, or about the woman who comes in to help with the spring cleaning or to help your wife make curtains. The answer is, this is not pensionable employment, though in fact what you pay may become part of the person's self-employed earnings.

I should like now to outline contribution rates. The contribution rate proposed for the Canada pension plan is 1.8 per cent each from employer and employee, making a combined rate of 3.6 per cent. This contribution will be paid on earnings between lower and upper limits which are initially \$600 and \$5,000 a year, respectively.

The effect of the lower limit is progressive, in the sense that the man with low earnings will contribute a smaller proportion of them than will the man with average earnings. On earnings of \$300 a month—about the present average level—the employee's contribution will be equivalent to 1.5 per cent of his total earnings.