

Canada Pension Plan

in each table I filed? Have I been unfair to the hon. member in any way in any of these tables?

Mr. Aiken: Mr. Chairman, I must still come back to my original statement to the hon. member. He cannot pin me down to answering that question, because his calculations have been made on different premises.

The Chairman: Order, please. We have listened with interest to the discussion which has taken place between the hon. member for Parry Sound-Muskoka and the hon. member for Winnipeg North Centre, but these discussions relate to certain tables which were placed on the record yesterday by the hon. member for Winnipeg North Centre during the course of a general discussion in respect of clause 2. It seems to me that we will not make much progress if we now return to that general discussion which began at the commencement of our study of this bill yesterday. For that reason I would invite the hon. member, now that he has made his point, to revert to a consideration of clause 22.

Mr. Aiken: Thank you, Mr. Chairman. I am pleased to agree with you that I have made my point.

Mr. Knowles: I do not agree at all.

Mr. Aiken: Mr. Chairman, I will revert to a consideration of clause 22, but I should like to make one comment in connection with collections and benefits. The plan proposed by our party will provide pensions of at least \$100 per month through old age security and the Canada pension plan at age 65, and none of the figures produced by the hon. member indicate anything different.

Last evening I rose to discuss the subject of administrative costs. I realize that we will probably consider this in greater detail at a later stage of our considerations, but since this clause deals with the collection of contributions I should like at this point to question the accuracy of the government's estimate that the plan will only cost 1 per cent for administration.

I want to raise this by way of a question, because since the estimate of 1 per cent was made in the committee by the people in charge of the plan we have heard evidence that the United States plan costs approximately 2½ per cent. There have been changes and amendments made in the plan as we have proceeded, and I wonder whether the estimate of 1 per cent still applies to the plan as the government is now proposing it.

[Mr. Knowles.]

It seems to many of us that the collection of contributions alone will be a very complicated matter, inasmuch as it involves the calculation of the benefits and contributions of each employee month by month during the whole of his earning lifetime of 48 years in accordance with the legislation. Therefore it seems to me that the collection alone will involve a tremendous administrative responsibility.

In addition there is the question of refunds. We have evidence that almost every employee's account will require adjustment at the end of each year and in many cases will require refunds of overpayments, although in some cases there may be underpayments. It is almost the same as income tax only much broader, in that almost every account under which there are deductions will not come out even at the end of the year.

There are problems such as a change of job from one employer to another, a change of location of job from one province to another, particularly with relation to the provinces of Ontario and Quebec, and changes in the salary structure of the employee even if he continues in the same employment throughout the year. These are all problems that make us believe that the figure of 1 per cent is very much underestimated. I should like to ask the minister at this time if there has been any change in the government's estimate of the cost of administration of this tremendous scheme in view of the subsequent evidence presented to the joint committee and other matters that have come to the attention of the government since we started on this legislation.

Mr. Benson: Mr. Chairman, first of all we believe that the cost of administering the Canada pension plan has been quite reasonably estimated. What the hon. member was referring to, I believe, was the reference to the cost of administering the plan being .1 per cent, that is one tenth of 1 per cent of contributory earnings. The cost of administering the plan will actually be between 2 per cent and 3 per cent of contributions as contrasted with contributory earnings. I think this is where the difficulty arises.

This is a very low administrative cost under a plan such as this when you consider the administrative difficulties which my hon. friend has mentioned. However, we are fortunate in that collections will be handled through administrative machinery