

Canada Pension Plan

Mr. Pugh: That is possible. But I do not believe it would change the situation materially. I know many farmers have to take jobs away from their farming operations in order to make ends meet. With regard to those farmers earning under \$1,200, there is a total of roughly 137,000 out of a total number of 480,000 listed as farmers. This is over 25 per cent. This is not a net income, Mr. Chairman; this is gross sales. Then we go from \$1,200 to \$2,500. In this category there are 94,000 plus.

Going back to my original point, Mr. Chairman, I have a certain amount of knowledge with regard to orchards, which is the type of farming in which I am most interested in the Okanagan valley, and in areas in Boundary. We do know that from gross sales you have to work down to the net figure. In that part of the country the gross sale is materially cut by certain fixed charges which occur all year round in each and every year, regardless of the crop return. In other words, you must do certain things before you get a penny back with which to pay your taxes, first of all, your irrigation expenses and so on. You must spray your trees. You cannot wait and say, "Am I going to get a crop?" You have to do certain things, like thinning, pruning, and all the rest of it. These all cost money. When you take that and relate it to these figures, I do not believe that anyone with a cash return of \$1,200 would fit within the Canada pension plan; so it automatically excludes all those people. It could be possible, but it is highly unlikely when you consider the cost of spray materials and all the other expenses that are involved in this type of farming. If a farmer has a successful crop, he then has his picking expenses to contend with, and so on, and all these things are added to his costs. There is not much possibility that with a cash crop or cash sales of \$1,200 he would be in this plan; he would be excluded.

Then, Mr. Chairman, going up to \$2,500 gross, it would be a very good operator who would end up with \$1,800 net. I emphasize, Mr. Chairman, that he would have to be a very good operator to end up with that figure, with a maximum of \$2,500. But this class comprises not only those who are making the maximum of \$2,500, but also those who are earning \$1,201 and up. I suggest that in this group very few people in our area—and possibly in many other areas of Canada—would be eligible to come under the plan. I am suggesting to the minister—also relating back to what I said before—that with good years

and bad years the plan should give you a chance to average out. In other words, by the exclusion of up to 10 per cent, as I understand it, of the number of years involved, if a man started in on this plan at age 25 and carried on until age 65—that is, for 40 years—he would then be able to take out 10 per cent of those years, which amounts to only four years. I mention specifically cherry growers.

An hon. Member: There is going to be an amendment up to 20 per cent.

Mr. Pugh: Mr. Chairman, I hear that there is going to be an amendment up to 20 per cent, so we go to eight years. But I assure the minister, in all honesty, that it is an extraordinarily good year or an extraordinarily lucky man with an orchard that is producing cherries who will get more than one out of two good crop years; the normal is about one out of three years that these people will have a good crop which they are able to harvest, and sometimes it runs to as high as one in four.

I suggest to the minister that he might well consider averaging out over those years as well; in other words, giving an option to the grower so that he has a fair chance of completing his planned program under the Canada pension plan. As it is now, as we see it, it looks as though a number of—I do not want to call them city dwellers, although I cannot think of anything better to call them—city people have planned this and that one large class has been almost entirely neglected. These are farmers of honest endeavour; they are people who have far too many things to cope with from nature. This provision makes this plan unworkable. In other words, Mr. Chairman, the total number of years that you cut out, or in regard to which you can opt out of payments because of a bad crop or something like that, is far too few.

I would now like to deal with the averaging basis. If I may give an example, again, in connection with the fruit grower, he may have a bad year but next year his crop may be a good one. At that time his earnings will be well over, we will say, the \$5,000 mark. But he is only able to take up to \$5,000 in any good year; in other words, he cannot average out. I am suggesting to the minister that he should consider this proposition. I would like to hear the minister's views on this matter, because farming is a little different than any other fixed income or steady income job, which this plan seems to have been designed to suit.