

Canada Pension Plan

Mr. Lambert: Mr. Chairman, on this particular point I think there is a good bit to be said for the difficulties confronting a province which is withdrawing from the plan which, 10 or 15 years later, wants to come back in again; I think it would be a hopeless task. But if a province were to avail itself of the non-participation feature at the very beginning—in other words, not having been in the plan right from the beginning they said 10 or 15 years hence that they would like to come in—then in those circumstances the problems would not be nearly so difficult. I feel that some consideration should perhaps be given to this.

For instance, I am thinking now of the province of Quebec. They have presently said that they are not coming in but are setting up their own plan. That is a privilege that is accorded to all provinces, and some provinces might still do that. Yet they have never become involved in, shall I say, the complicated financial machinery of administration of this plan, and for this reason I am wondering why we could not consider, under certain circumstances, the possibility that a province which had never participated in the plan might at some future time join the plan, thus making it a truly national portable plan.

Miss LaMarsh: I think there is a great deal in what my hon. friend says. However, 15 or 20 years from now there is absolutely no way of saying what the parliament of that day or the legislatures of that day will do in this regard. We cannot tell whether there may be diversions. It is to be remembered that this legislation provides certain safeguards which have been made at the request of some of the larger provinces, safeguards which provincial legislation will not carry. We hope that the urge for comparability, portability and universality will be such as to keep plans from diversion. Therefore with the greatest respect it was considered by those who drafted the legislation that, welcome as such a move would be, it would have to be dealt with in the open arms of that day rather than this.

The Chairman: Shall the clause carry?

Mr. Monteith: On division.

Clause agreed to, on division.

Clauses 4 and 5 agreed to.

The Chairman: Shall clause 6 carry?

Some hon. Members: Stand.

The Chairman: Shall clause 7 carry?

Some hon. Members: Stand.

The Chairman: Clause 8?

Some hon. Members: Stand.

The Chairman: Clause 9

Some hon. Members: Stand.

The Chairman: Clause 10?

Some hon. Members: Stand.

The Chairman: Clause 11?

Some hon. Members: Stand.

Clauses 12 to 14 inclusive agreed to.

On clause 15—*Amount of maximum contributory earnings for a year.*

Mr. Olson: Mr. Chairman, clause 15 deals with the maximum contribution and I just want to say a few brief words on this. I think there is a place in the Canada pension plan for an individual to make an arrangement to pay more than the 3.6 per cent if he chooses to do so. There are a number of people in Canada, particularly the self-employed and farmers, who have a very variable level of net income. Over a long period of time it may average out to about \$3,000 or \$4,000 net income on which they would make their contributions. Nevertheless, during such period, say a 10 year period, there could be a number of years when there would be no net income at all. These self-employed people, however, may have assets or some money from which they could make a contribution to the Canada pension plan and thus build up their potential pension benefits.

It seems to me that at the present time the maximum they can build up is 3.6 per cent of their earnings in any one year. A lot of people are going to fall short of earning a maximum potential benefit in the application of these maximum contribution clauses.

I should like to hear from the minister as to whether some consideration could be given to enabling the self-employed to contract to pay a higher level of contribution in those years when their earnings are down for any reason. If the plan is actuarially sound and they wanted to pay 5 or 5½ per cent or even more of their net income, they would not be doing any disservice to others in the plan by making these larger contributions. I am more interested in evening out the contributions between those years when their net income may be very low and when the self-employed would in fact show a loss, in which event they would be unable to contribute to the plan at all.