

Canada Pension Plan

are talking about farmers and they are self-employed people, so they must earn more than \$800 before they will contribute. The figures the minister is going to give me later will be for farmers earning \$5,000, but there is a vast difference between earning \$800 and earning \$5,000. For a farmer it is a far cry from earnings of \$800 a year up to \$5,000. He may be included in the figure which the minister gave of 6,300,000 Canadians who will be part and parcel of this plan, but it seems to me the plan does not include sufficient Canadians within the category in which it will mean something for them on their retirement. I am talking about those who are getting only \$5, \$10 or \$15 a month.

I know we have heard a lot on this provision, but it does not hurt to rehash it. It seems to me this plan is directed toward those people who are in the higher earning brackets and not to those in the low income brackets, which include large numbers of farmers and those who need help the most. The person who most needs help has not the opportunity of putting himself in a position to get a decent pension under the Canada pension plan.

There should be a method of averaging for a farmer who has funds in the pension plan and who then meets one or two bad years. He should be allowed to keep his pension plan consistent and not have it vary according to the tempo of the weather, with frost, rusting, poor harvests, late harvests, poor selling of crops and all the other variables. A farmer should be able to say "Right; I want \$75 a month out of the Canada pension plan, and I should be able to contribute and keep the pension to that figure." In other words he should not be subject to an act of God which could completely destroy his pension plan benefits.

Mr. Benson: First of all, this is an earnings related pension plan. I went into some detail on the last question my hon. friend raised, with regard to averaging, when an amendment with respect to fishermen was moved earlier by my hon. friend from Comox-Alberni. The pension plan is an earnings related plan, and people can contribute if they have earnings in excess of \$600 if they are employed, or equal to \$800 if they are self-employed.

My hon. friend has raised the question of a person who does not benefit because he may not have had earnings of \$600 per year over his lifetime. Such a person has not had to contribute to the Canada pension plan but

when he reaches 65, under the amendments to part IV which are proposed in the resolution, he will get a \$900 old age security pension, and this of course is attached to the cost of living index. Even though he does not get anything out of the Canada pension plan if he earns less than \$600 a year all his life, he is better off when he retires because he automatically gets \$900 through the old age pension.

Mr. Lambert: So does everybody else. That is a specious argument.

Mr. Benson: This is an argument in reply to what my hon. friend said, that such a person does not get anything out of the plan because he does not contribute. The plan is designed as an earnings related plan through which people contribute a percentage of their earnings up to a maximum, and draw pensions based on their earnings over their lifetime.

With regard to the other question about low years and the averaging of farmers' incomes, I explained this very fully when we dealt with the previous amendment and I refer the hon. member to what I said on that occasion. Under the Canada pension plan there is no averaging provision for farmers. Indeed, it was calculated by my department that most farmers with moderate incomes would benefit more by the drop out formula than by an averaging formula, and they can take advantage of the drop out formula in the same way as any other person.

Mr. Pugh: Take the particular case of a man who might have tough luck for three years. We have many orchards in the Okanagan and this has happened with them. With respect to taxes I realize that in the operation of an orchard a great many things can be written off against earnings, but when a man comes to the point of retirement or becomes so old that he is no longer fit to work in his orchard, he then must employ help. At that stage his earnings go down, and I do not think it is a fair argument to say he will get the old age pension of \$75 a month. He is entitled to that already. It is not part of the pension plan.

Mr. Benson: It is part of the package.

Mr. Pugh: I return to the avowed intention of the plan, which is supposed to benefit all Canadians. Before the clause carries I want some indication of how many farmers will be excluded from the plan. It is no good giving me the average earnings all over Can-