

Canada Pension Plan

to opt out and establish its own pension plan, I suggest it would have to adopt a plan related to place of employment rather than residence or it would have to face tremendously difficult problems. Any successful plan, I suggest, must be related to employment rather than to residence.

Mr. Chairman, the hon. gentleman is attempting to obtain answers to hypothetical questions based on the unforeseeable future when changes may well have been made to this and other provincial pension schemes. One cannot accurately forecast what the circumstances will be, and certainly cannot answer questions based on hypothetical suggestions such as have been alluded to by the hon. member.

Mr. Langlois: Mr. Chairman, there are two alternatives open to the government in respect of this pension plan. Either it will be based on place of employment or place of residence. I suggest that a great deal less difficulty would be encountered if provincial plans were based on residence. The minister has suggested that this would create difficulty and complications. Perhaps that is true, but I should like the minister to explain why that is true.

Mr. Benson: Mr. Chairman, if a province decided at some time in the future to opt out of the Canada pension plan and establish a provincial plan, then by the provisions of this bill the obligations to its contributors under the Canada pension plan would have to be assumed by the province. The pension plan adopted by an opting out province might well increase the benefits to the participants, and that is within the power of a province, as are many other changes of this nature. However, let me assure my hon. friend that there will not be many provinces which will move out of participation in the Canada pension plan and establish their own plans on the basis of residence rather than place of employment. Any province which did so I am sure would run into all sorts of problems.

Mr. Langlois: Mr. Chairman, the minister has given only one example—

The Chairman: Order, please. I recognize the hon. member for Rosthern.

Mr. Nasserden: Mr. Chairman, it seems to me that what the hon. gentleman is discussing is portability. I should like the minister to indicate whether portability is one of the necessary requirements in respect of a provincial plan before acceptance by the federal government.

[Mr. Benson.]

Miss LaMarsh: Mr. Chairman, the proposed plan will be portable from coast to coast. Portability is the reason behind the meshing of comparable plans. That is the principle to which every premier has dedicated himself, and to which the federal government has dedicated itself. That is one feature that is necessary so that individuals, following agreements between the federal government and opting out provincial governments, can move from one plan in one place to another plan in another place. It is only when radically different plans are adopted that national portability is destroyed.

Mr. Nasserden: Mr. Chairman, the question I asked was related to portability. I want to know whether the federal government will insist that any acceptable provincial plan must have portability.

Miss LaMarsh: Any provincial plan must of necessity be portable at least within provincial boundaries. If a provincial plan is comparable to the Canada pension plan, then it will be possible to make arrangements between federal government authorities and provincial government authorities to ensure that it is portable. However, if a provincial government was to adopt a radically different plan, based on different principles, it would be virtually impossible to have portability. Portability would be limited under those circumstances.

Mr. Nasserden: Mr. Chairman, I suggest that this is exactly what hon. members on this side of the house are worried about, because we are wondering whether the federal government will insist that provinces opting out, adopting their own plans, will ensure portability.

Miss LaMarsh: Mr. Chairman, the question has no meaning. Any state plan adopted must have portability from province to province. Any worker in one province must be able to move from job A to job B, in province A and province B, and remain within the pension scheme.

Supposing two provinces adopt their own schemes. I suggest for their own purposes they will design those schemes in such a way that portability will be preserved, but it is not within the competence of federal jurisdiction to direct the provinces in this regard. I am sure that the various provinces will realize the advantages of portability, and that the province of Alberta and the province of Quebec, for example, should they both be opted out provinces at some future date, would adopt pension schemes which would