

*Canada Pension Plan*

the provisions of subclause (3), decides subsequently to go out on its own with comparable legislation, then there would be an agreement between that province and the federal government and the plan would be portable across the country because of this agreement with the federal government and the federal government's agreement with Quebec.

If a provincial government decided one day to make a radically different plan it may be that portability could not be achieved. This would be beyond the jurisdiction of the federal government now or at any time in the future. If a province refused to agree or had a plan that was radically different, there would not be portability and there would not be anything that this or any government could do about it. The only thing this government can do is to guarantee the people now under the pension plan, or who come in, that they cannot lose the rights they build up by their contributions. Now, if such a provincial government took such a step and made a very different plan which destroyed portability I suggest to you, Mr. Chairman, and all hon. members, that they would do so at their political peril.

**Mr. Pugh:** Now, the minister is coming around to giving a reasonably direct answer with political overtones. She started out by mentioning the British North America Act and provincial rights. I agree with her 100 per cent, that you cannot tell the provinces how to legislate. However, this is a Canada pension plan. This plan provides a guarantee to the citizens of Canada, not the citizens of a province. If we have a Canada pension plan, one of the major elements of it must be portability. Surely, the legislation which we put through here must be intended to guarantee the citizens of Canada that they will in time receive all the rights and benefits that accrue to them under this plan.

If they change from province to province, at no time will they be cut off if they go into a province where the benefits or portability have been cut off by that province. I say that in essence portability must be a part of this plan.

The Minister of National Revenue is looking a trifle bored as though he has heard this argument many times, but he himself has said portability is essential in this plan. He has also said that a province could in the future get away from portability. I say that this destroys the Canada pension plan and we must look into this a little more fully so that

[Miss LaMarsh.]

the federal government will pick up the tab. It may well be something that will have to be done, probably on a premium basis. But once you say portability is an essential ingredient of this plan, then how can we accept anything else?

**Mr. Benson:** When we are talking about portability we are really talking about a vesting of rights. My hon. friend has indicated that he does not care whether they get one cheque or 15 cheques, and I think that is correct. Under the Canada pension plan there is a vesting of rights. People make contributions, and if they contribute for one or five years they have a right to a certain amount of pension vested in them.

At the point when a province chooses to move out of the Canada pension plan the federal government would insist that it be a comparable pension plan, and that the province take over the liabilities built up under the Canada pension plan, that is, that the rights of these people be vested for everything contributed under the Canada pension plan. I would think that once a province did this it could never change it and take the vested rights away from them. However, there is no way the federal government could guarantee forever that the provincial pension plan would not take these rights away from the individual.

For example, a province might move out. The federal government would insist that it take the obligations to that point under the Canada pension plan, and these would be the right of the individual. Then that pension plan might go on for a number of years with comparable benefits, so that if a person worked for 30 years he would be entitled to a pension calculated on a similar basis to the federal plan. However, there is nothing the federal government could do at a future time to prevent taking those rights away from the individual, because the pension plan would then be in the hands of the provincial government.

I and my colleague, the Minister of National Health and Welfare, have said it would be politically impossible for a provincial government to do that, and I honestly believe so; but the federal government cannot control the actions of the provincial government beyond the time that it moved out of the Canada pension plan. This is the point that my colleague and I were trying to make.

**Mr. Pugh:** What the government is saying is that it cannot write this into the bill in any shape or form.