You will know from your years in office that there were frequent representations made from West Germans who had moved to Canada and who, because of the law of West Germany, were unable to draw pension benefits if they became Canadian citizens. This is a matter the Canadian government has never been able to resolve with West Germany because our flat rate pension was so very different from their scheme. If a West German moved to Quebec and was in the Quebec pension plan and we made an arrangement with West Germany on behalf generally of the Canada pension, we would certainly attempt to include Quebec pensioners.

Mr. MONTEITH: The Canadian reciprocal agreement would cover both schemes?

Miss LAMARSH: Yes.

Mr. MONTEITH: Would it cover any province which had its own scheme?

Miss LAMARSH: Yes.

Mr. MONTEITH: I have one other question in connection with investment funds. These are going to be turned over to the provinces as they accumulate and so on. What is the estimated amount at the end of 20 years before the dip may start down?

Miss LAMARSH: The estimate is \$6 billion to \$8 billion.

Mr. MONTEITH: This \$6 billion to \$8 billion will be in the hands of the provinces, and at that time is it estimated that the rates would have to be increased to meet the payments or would any of this reserve be called upon that is then in the hands of the provinces?

Miss LAMARSH: This would be up to the government of the day. I am not sure that I understood your question correctly but—

Mr. MONTEITH: Say for example there is \$6 billion to \$8 billion in the hands of the provinces which they have not borrowed on the open market and then all of a sudden the reserve starts down. Is it the thought that these reserve funds would be called upon or that an increase in rates would take care of the extra outlay at that time?

Miss LAMARSH: This will depend I should think, Mr. Monteith, on those who are in government and have the responsibility at that time. It is up to them to decide at that time whether or not one continues on a partly funded basis or converts to a pay-as-you-go plan.

Mr. MONTEITH: Can you visualize a position in which the provinces would be rather on the spot if, for argument's sake, you needed a couple of billion dollars over a couple of years and, rather than increasing the rates, you had to call upon the provinces for a return of those funds?

Miss LAMARSH: I do not think so.

Mr. MONTEITH: And they would then have to go to the open market, would they not, to replace them? If not, why not?

Miss LAMARSH: The bill which is before you calls for actuarial reports at stated intervals. Those reports will be available to all provinces as well as the federal government and you will be able to watch what is happening to a fund. We do not anticipate any possibility of sudden change, a change which is not obvious for years in advance to all governments.

As you know, even if there is an amendment produced or brought into the house by any individual, this lays upon the chief actuary the responsibility of preparing an actuarial report so that you will know the projected effect. When I said "any individual" I certainly did not mean anyone who is not of the government.