

70. What particular sections of the old and the young populations are in greatest need of government help? Amongst the old, available evidence is that those in their 80's and 90's are, on the average, much more in need of help than those newly retired (para. 21). Persons who will be retiring in ten years appear to be better prepared financially than those now retiring (para. 22). It may well be that, taken as a group, widows and disabled persons with dependent children are in the greatest need of help.

71. A new welfare program has been proposed—the Canada Pension Plan. How does it meet the pattern of need? It is, of course, not designed to help today's aged. It provides the biggest unpaid-for benefits or windfalls for workers at least ten years from retirement (paras. 61-62), smaller windfalls for workers nearer retirement, the smallest benefits for workers with low or spasmodic income, no benefits for persons now 70 or over and no benefits for persons not working (para. 59). It is designed to protect workers against inflation in retirement yet affords no such protection to persons more vulnerable to inflation (pages 475-9 of the Proceedings of the 1959 Senate Finance Committee on Inflation). In other words, the Plan's design is completely inconsistent with the pattern of need set out in the preceding paragraph (paras. 55-56, 64-65).

72. The Plan has been characterized as "upside down welfare" because it would provide the least help or no help at all for those who require government help the most and indeed would widen rather than narrow differences in income. Hence, though costing about \$600 million a year at the outset, the Plan would appear to aggravate rather than solve Canada's most urgent welfare problems. To solve these would add more hundreds of millions to the present heavy welfare load. Why embark on the "upside down welfare" approach without first determining if the traditional approaches would not meet existing welfare needs?

73. Improvements can be made in the ways in which people now save for retirement (paras. 37-38). Specifically, constructive and direct steps for improving private pension plans have been devised (paras. 39-47).

74. The present Old Age Security program is an effective social measure (paras. 26-30). On the basis of available evidence on the position of older persons, it would appear that the economic problems of older persons would be better solved by making Old Age Security available, on an appropriate basis, at ages earlier than 70 (paras. 31-33) and possibly by paying higher benefits at older ages (para. 34). The changes proposed, if implemented in full, might cost about \$400 million a year or 2% of payrolls up to \$5,000. They could be adopted in stages depending on the development of the economy and other priorities for financial policy. They have the further advantage of being completely universal in their effect and therefore producing the greatest good for the largest number of existing and future aged in Canada in the most economical manner.

75. The federal government memorandum on the proposed Canada Pension Plan calls for safeguards against misguided benefit increases in future. Among the safeguards would be the publication of reports by an (apparently independent and effective) Advisory Committee and full discussion with the public before amending legislation is presented to Parliament. If this procedure is considered desirable before amendments are made to the proposed Plan, surely the same process should be followed before the Plan is presented for enactment and a course is set from which no amendments can rescue it.

76. Such inquiry would draw together the federal government's study of programs for aged in Canada and the United States, the Report of the Royal Commission on Health Services and the views of the National Council on Welfare and the Economic Council of Canada.