

Dr. WILLARD: That is correct. If a person has not contributed under the plan, then of course his widow or his orphans would not be eligible. But I would repeat that in the case of people with relatively low income, as far as the old age benefit is concerned—flat rate pension—is available; and the payment of \$75 a month would amount to \$900 a year, which the person would be receiving at age 70 even if his former income had been below \$600 a year. That is why it is extremely important that the two programs need to be taken together. I want to expand on my original explanation.

Mr. RHÉAUME: That applies only to those people who live beyond 65, or to widows and orphans of those who do not live to 65. They will not be covered in this plan.

Dr. WILLARD: It is true that widows and orphans under the circumstances would not be covered. But the other point is this: at the age of 65 under the proposal, which is included along with this bill, the age reduced benefits would be available, and this would provide \$51 to a person at age 65; and if his normal income had been less than \$600 a year previously, then obviously he will be getting more under old age security than he would have been receiving from other means.

Mr. RHÉAUME: I think Dr. Willard understands the drift of my question. Because of these two categories of people—and there are numerous other Canadians in these categories too who are living on the land, so to speak—they are not eligible to contribute, and consequently they will not be able to draw, and neither would their widows and orphans except they do so under their own rights as individual people, assuming that they live that long.

The CHAIRMAN (*Mr. Cameron*): I think we should make it clear that the line of questioning you ask might be answered and you might then draw your own deductions. But do not preface your questions by a statement and then say is this the answer?

Mr. RHÉAUME: I am not prepared to accept it. Let me reword my question, if you wish.

The CHAIRMAN (*Mr. Cameron*): If you so wish, go ahead.

Mr. CHATTERTON: You indicated that a person might retire after 10 years contribution, and might die at 65. Assume he had a maximum pension; he pays in a total of something like \$800. Of those who have already retired by 1966, let us say one of them says: "I will pay in \$900, because I want to have as much pension as possible". Is there provision for such a payment?

Dr. WILLARD: No, there is no provision made for the payment of contributions under the plan, unless the person is under pensionable employment, or is a self-employed insured person and makes contributions on his earnings.

Mr. SCOTT: What happens in the case of a person in the borderline area who one year may earn more than \$600, and in another year less than \$600? May he pay for any year in which he does earn over that amount?

Dr. WILLARD: That is correct. Let us suppose his income in a given year is \$700, then he only contributes on \$100. But he will get the benefits on the basis of \$700.

The CHAIRMAN (*Mr. Cameron*): Are there any more questions along the line opened by Senator McCutcheon? I think Senator McCutcheon has another question for Dr. Willard.

Hon. Mr. McCUTCHEON: I would like to refer you to table II on page 12 of the white paper, and on table IV, on page 13. Table II sets out the maximum pension available to a single contributor at the age of 70, and after the transition period has expired, based on his average monthly earnings and with the old age security pension added in. The combined pension is shown in the right