

the new proposals become operative, a supplementary agreement must be entered into with each of the provinces. However, it is expected that in view of the provincial agreement to the substance of these changes, there will be no delay in the execution of these agreements. The effective date of their coming into force will be April 1, 1944, or such later date in the case of any province as may be desired by that province.

The most important change increases the amount of allowable outside income which a pensioner may have. When the maximum amount of pension was increased in 1943 from \$240 to \$300 a year, the maximum total income which a pensioner could have from all sources was allowed to remain at \$365 a year. The allowable income from sources other than old age pension was therefore reduced from \$125 to \$65 a year. With the consent of the provinces, we are now providing for an increase in the maximum income which a pensioner may receive from \$365 to \$425 a year. In other words, the pensioner will be allowed other income of \$125 a year instead of \$65 a year, without a reduction in the amount of his pension. The maximum income allowed blind pensioners will also be increased by the amount of \$60 a year.

While the amendment will not increase the maximum pension of \$300 a year, it will benefit pensioners with small incomes who could not previously qualify for the increase in pension granted in 1943. Those who are now receiving an old age pension at the maximum rate of \$25 a month would not be entitled to receive an increase in the amount of their pension, unless by way of supplemental allowances which are now being paid in certain provinces.

Other amendments are intended to meet as far as may be practicable under the present law the difficulties arising out of the residence qualifications. Certain of the existing regulations were causing disappointment and difficulty for pension applicants who for various reasons had been outside of Canada for extended periods or had found it necessary to transfer their residence from one part of Canada to another. One proposed change will enable an applicant who failed to qualify with the sixteen years' residence requirement between the ages of fifty and seventy, in the case of an applicant for an old age pension, and between the ages of twenty and forty in the case of an applicant for a blind pension, to make up the deficiency by a further period of residence in Canada equal to the deficiency. Under the old regulations in some extreme cases he might have had to wait sixteen full years following his return to Canada before

he qualified for a pension. Another proposed change will eliminate the necessity of an applicant who has recently moved to a new province returning to the province of previous residence for the sole purpose of applying for a pension.

Other cases of difficulty with regard to the residence requirement were found in instances of temporary absence from Canada as a result of service on ships or in fishing. The new regulation will permit such periods of temporary absence to count as residence in Canada provided the applicant maintained a self-contained domestic establishment in Canada during such periods.

Some weeks ago the house was advised that although there had been in the past certain legal doubt as to whether the clause relating to recoveries from estates of deceased pensioners was mandatory or permissive in its effect, the dominion in accordance with later legal advice had indicated to the provincial pension authorities that whether or not recovery should be made from estates where the net value does not exceed \$2,000 would be left entirely to their discretion.

These changes represent the result of a very careful examination of the steps which the dominion would recommend to make the present legislation meet the immediate practical problems without radical revision of the whole scheme.

As the house will recall, the speech from the throne stated that the working out of a comprehensive national scheme of social security, in which federal and provincial activities will be integrated, will require further consultation and close cooperation with the provinces and indicated that the government would be prepared "when suitable agreements are reached with the provinces," to recommend a measure for a national scheme of contributory old age pensions on a more generous basis than that at present in operation.

The adoption of a national scheme of contributory old age pensions would involve a fundamental revision of our old age pension legislation. This must, of necessity, await the holding of the dominion-provincial conference.

In adopting a contributory system it will, in my opinion, be found advisable not only to increase the scale of pensions but to reduce the eligible age and to have the pensions paid as a matter of right rather than on the basis of a means test, which is an essential feature of the present scheme and the cause of most of its administrative difficulties.

Certain of the provinces would be agreeable to lowering the eligible age from seventy to sixty-five years immediately for the non-con-