

HIGHWAYS FOR ATLANTIC PROVINCES

The Prime Minister announced recently that the Government proposed at the next session of Parliament to seek approval of a programme of assistance for the construction and improvement of trunk highways in the Atlantic Provinces and to include in this programme the provision of special assistance to permit an early start on a new bridge across the St. John River at Saint John, New Brunswick.

FINANCING

The programme will involve an expenditure of \$30 million by the Federal Government over the next three years, to be financed from special appropriations to the Atlantic Development Board. The additional appropriations will enable the Board to continue and expand the earlier programme of highway assistance announced in July 1964, when a sum of \$10 million was allocated from the Atlantic development Fund to meet pressing trunk-highway needs in the Atlantic region. Under the new programme, \$9 million will be available to each of the provinces of Nova Scotia, New Brunswick and Newfoundland, and \$3 million to Prince Edward Island.

The assistance for each province will be worked out between the Atlantic Development Board and the government of the province. The federal contribution for any trunk-highway project will be limited to 50 per cent of the cost of that project.

The trunk-highway programme for the Atlantic Provinces is regarded by the Federal Government as a vital contribution to the economic development of the region.

The provision of a new crossing of the St. John River at Saint John has long been regarded as an essential link in a trunk-highway system, particularly between the Atlantic region and New England. The Federal Government has approved assistance that will permit the Saint John bridge to be started with the least possible delay.

ADMINISTRATION

The bridge will be administered by the Saint John Harbour Bridge Authority. Tolls will be charged, and the bridge should eventually become self-supporting. Meanwhile, because of the heavy capital expenditure involved, some form of interim assistance was considered necessary. To meet this need, the Federal Government has agreed to cover the difference between the annual expenditures agreed on and the toll revenues. These amounts are to be repaid by the Bridge Authority when toll revenue permits. General agreement on the nature of this assistance has been reached following discussions with the provincial authorities, the city of Saint John and the Saint John Harbour Bridge Authority.

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PENSION AGE LOWERED

Under a federal plan announced by the Prime Minister in the House of Commons on February 17, the \$75-a-month universal pensions will in future be paid to people when they reach 65 years of age. By 1970, when the plan will be in full operation, over 1,600,000 people will be drawing old-age-security cheques, compared with just under one million at present.

The pension bill now before Parliament provides that the monthly \$75 will automatically be increased if the cost of living rises.

Mr. Pearson said that, under the recommendation now being made to Parliament, the age at which the universal pension is paid will be lowered in stages, a year at a time. Starting next January, pension payments will be made to people who have reached 69, instead of 70, as at present. The following year, the full pension will be paid at 68 — and so on, until, by January 1970, everyone will be entitled to the pension at the age of 65.

This proposal involves an amendment to the Canada Pension Plan bill. As it now stands, the bill would make old-age security available before 70. But persons taking the pension before 70 would receive a smaller amount; anyone beginning immediately he or she reached 65 would receive \$51 a month.

Under the revised proposal, the pension will be paid automatically at 65 in the full amount of \$75 plus the cost-of-living adjustment.

The old-age-security pension will not be subject to any retirement or means test. It will be unconditional for all who qualify under the residence rules.

INCOME TAX CHANGES

To deal with the situation of those people who continue to work after 65, or who have substantial incomes from other sources, the Prime Minister announced the Government's intention of recommending a change in the Income Tax Act. The additional personal deduction of \$500, now available to people who have reached 65, will in future begin at 70. This change will be made in stages, corresponding to those at which the old-age-security pension becomes payable.

The withdrawal of the additional deduction will not offset in any way the new pension benefit for people who have little or no other income; it will affect only those people, between the ages of 65 and 70, who have other resources sufficient to put them into a taxable category.

In making this announcement, the Prime Minister referred to the work of the joint Parliamentary committee on the Canada Pension Plan. In many of the representations to the committee, it was urged that old-age security be paid at the full \$75 a month from 65, rather than that the amount be reduced.

The Prime Minister also said that the Government would be proposing other amendments to the bill. These would be on the lines recommended by the committee, though not in all respects identical.