

resources of about \$95 per month. The average probably dropped to about \$55 for the group in their early 80's. This latter group were able to save less than people now approaching retirement and their savings have been drained away by inflation. Private pension benefits to which they might be entitled were, of course, based on lower than current wage levels. In addition, many older people are forced to dip into accumulated capital instead of preserving its capacity to produce steady income. Finally, their participation in the labour force declines gradually and eventually comes to a complete stop.

22. Mr. Anderson's calculations have led him to the conclusion that the average level of private resources of all older persons has been rising each year by about \$3 a month. Persons reaching 70 in the past year had resources approximately \$4 to \$5 per month greater than those who reached 70 the year before. Those in the aged group who died had much lower resources. Offsetting these two factors which make for an increase of more than \$3 a month, was the fact that the mass of other persons over 70 were on the whole experiencing a decline in their resources. It is not expected that the current rate of overall increase will necessarily continue in future although incomes and resources will definitely go up to some extent because those now retiring have worked longer at current wage levels and have accordingly had greater opportunity to save for retirement. It would appear that, on the whole, greater help is needed as age advances.

## II. SOURCES OF INCOME DURING OLD AGE

How is retirement income now provided? What are the weaknesses in this system and how can they best be strengthened?

23. The Joint Committee of the Senate and House of Commons appointed in 1950 to examine the question of old age security programs in Canada set forth the following principle (page 103 of its Report):

The Committee feels that any plan to be considered should not interfere with employee pension plans, the purchase of governmental or private annuities, or private savings. Any scheme conceived under public auspices should be such as to place a floor under these private or collective provisions for retirement security; this would make possible the development under private initiative of supplemental programs which, taken together with governmental provisions, would result in more adequate retirement security for the largest possible number of Canadians.

24. Obviously, the Committee conceived a three-phase provision for retirement:

- (i) Each family's discharge of its responsibility to provide for its own old age income within the limits of its capacity to do so. Such provision can take many forms, including pension plans and registered retirement savings plans; insurance and annuities; ownership of homes, securities and business and savings through banks, caisses populaires and credit unions.
- (ii) The collective sharing of basic responsibility by all the individuals in the nation through the Old Age Security program.
- (iii) Public assistance based on need for those persons who through misfortune or lack of thrift do not receive sufficient income from the above sources.

There is considerable evidence on the whole this three-phase approach of the Parliamentary Committee was soundly conceived and has worked reasonably