

Supply—Health and Welfare

pensions were paid to Canadian citizens outside the country. But I would point out to the department that it is not necessary to tie the same Canadian residence rule to the right to draw the pension outside the country as it is to the right to draw the pension within the country. The right to draw a pension outside the country could be made to depend upon 20 years' residence. This might be something that would not be acceptable to everybody.

There is also the fact that when pensions are paid outside of the country, particularly when they are paid in commonwealth countries, those countries would obtain Canadian currency which would return to this country in the form of an increase in foreign trade. The department might start to consider some of the problems involved so that if and when the government does consider it is something to be put before the house, the department would be ready to take care of their problems.

Mr. Herridge: Mr. Chairman, I have sat here very quietly for a number of hours, but I cannot resist rising to compliment the hon. member for Vancouver South on supporting a long time policy of this group, namely the payment of old age security cheques outside Canada to Canadian citizens who are entitled to that consideration. I do hope, Mr. Chairman, that he is able to influence his colleagues in the Progressive Conservative party and that the members of the cabinet will listen to the voice of some of their members from British Columbia. I find that the members from that province are a few steps ahead of some of their colleagues from central and eastern Canada. I do urge the minister to bring those representations of the hon. member for Vancouver South to the particular attention of the cabinet so that early consideration may be given to his request, based on our long time policy.

Item agreed to.

764. Reduction in the amount owing by the old age security fund pursuant to section 11 of the Old Age Security Act in an amount equal to the amount of outstanding temporary loans made by the Minister of Finance to the fund before the 1st day of April, 1959, estimated at, \$184,000,000.

Mr. Martin (Essex East): Mr. Chairman, there are two points arising out of this important vote. First of all, the other day the government tabled at long last the Clark report, which consisted of an examination of the old age and survivors program in the United States. It will be remembered that this report had its genesis in the observation made by the Prime Minister during the course of an election that he favoured the United States system either in supplement of what we already had under our universal old age security system or as a replacement.

[Mr. Broome.]

It would be very interesting if the Minister of Finance would tell us whether or not the government has yet perused the two volumes prepared by Dr. Clark; whether or not, as a result of all the factual information given in that report, the government has been able yet to arrive at a policy; whether or not the Prime Minister has had a confirmation of his election judgments and when we may expect the government to take action or not to take action. After all, we were promised this in 1958. The report was to be ready in four months and although it has taken over 14 months to get the report, in view of the fact that the Department of National Health and Welfare has practically all of his information now within its resources, perhaps the Minister of Finance would be able to give us information of its policy in the matter of the United States old age survivors program.

The second observation I should like to make is with regard to the amount contained in the supplementary estimates of \$184 million for old age security. Now, this item represents a reduction of the deficit in the old age security fund. It is a lower estimate than that provided for the prospective deficit of the fund. The Minister of Finance, when he presented his budget on June 17, 1958, said at page 1240 of *Hansard*:

—We shall also be required to meet the increased deficit in the old age security fund which will be about \$190 million in this fiscal year.

The actual deficit up to the end of January, 1959 was \$158.8 million, and in recent months the deficit has been running at a rate slightly in excess of \$15 million monthly. It therefore follows that the original estimate which the Minister of Finance made of \$190 million is very close to reality. I, therefore, ask the minister, why is the government making a provision of \$184 million, at least \$6 million less than the prospective deficit and the deficit which he, himself, predicted? I am sure that the minister must have a reason. It is true that this is a statutory item and that there will be no refusal to pay this money to the old age security pensioners whether or not we pass this item in its present amount of \$184 million. This amount seems to be short of what will ultimately be required. It does seem the minister owes the house an explanation as to why he has not fulfilled his own prognostication because this amount is short by at least \$6 million.

Mr. Fleming (Eglinton): The report submitted by Dr. Clark is under examination and government policy in regard to that subject will be announced at the proper time. In so far as the amount is concerned, the figure of \$184 million represents the estimate of the deficit at March 31, 1959 in respect