

general revenues under the various assistance programs. If an allocation of the cost along these lines were to be considered, the federal contribution might be regarded as being roughly equivalent to the cost of providing benefits to those individuals and families in the lowest income groups from whom no direct individual contribution could reasonably be expected.

(4) On the assumption set forth in (3) above, that the contribution from general revenues should approximate present costs, it would follow that the additional amount of \$250 million required to implement the over-all program would have to be obtained from employer and individual contributions. The various rates of contribution that might be required to raise such a sum can be found in Chapter VI.

67. The Committee, however, did not consider that it was part of its responsibility to do more than indicate possible forms of contribution. The raising of revenues is a technical problem which bears a close relation to fiscal policy in general, and the Committee did not feel that it should suggest more than the main outlines and principles to be followed.

#### RESIDENCE REQUIREMENT

68. The establishment of an old age security system such as that which is here set forth would, as already stated, place residents of Canada in a favoured position compared to the residents of other countries. Such a system, moreover, does not contemplate the limitation of eligibility for benefit to those who are citizens of Canada nor to those who can demonstrate that they have established an individual record of contributions during their working years.

69. In order to qualify for the universal pension at 70 years of age, an individual should have to reside for a reasonable period of time in Canada during his earning years and be liable during these years to make his required contribution to the old age security program. In the Committee's view, it is not unreasonable to suggest that for the universal pension program a residence requirement of twenty years should be established similar to that which exists now under the present federal-provincial old age assistance program.

70. With respect to an old age assistance program for persons 65 years of age and over on the basis of an eligibility test, it is the Committee's view that a requirement of fifteen years' residence should be considered.

#### CONSTITUTIONAL ASPECTS

71. It would appear from the opinion expressed to the Committee by the Deputy Minister of Justice, that a contributory scheme of old age security similar to unemployment insurance could not be instituted without an amendment to the constitution, and an amendment might be necessary to give Parliament authority to impose a social security tax "earmarked" for the payment of old age pensions.

72. If any change in the constitution is necessary, consideration might be given by the federal and provincial governments to an amendment which would give concurrent jurisdiction to Parliament and the Provincial Legislatures in the field of old age security, since the participation of both is obviously necessary to a satisfactory old age security program.

73. Moreover, in order to implement an over-all old age security program of the type set forth in this report, it must be recognized that the consent of the provincial governments would have to be obtained to the termination of the present arrangements under the existing Old Age Pensions Act which bind the