

Senator McCutcheon has asked about the persons who qualify for widows and disabled pensions, and I think it is apparent that those who become eligible right after the qualifying period are going to benefit more than if death occurred to the breadwinner a decade or two later. This would occur both under a deferred equity type of scheme, or social insurance scheme. A social insurance scheme, such as is provided in many countries, tries to achieve certain social objectives on the one hand, and tries to introduce certain deferred equity principles on the other. The elements designed to achieve these social objectives within this type of government program comes from measures such as the transitional period, which tries to get people in the older age groups to a full level of benefit as soon as it reasonably can be done. The basic exemption of \$600 is another such element; the flat rate components in the various benefits are others. They try to achieve certain social objectives which would not occur if one took, for instance, the government annuities scheme and converted it into a national compulsory insurance system. In other words, there is a difference in the nature of the program under this bill than if it were a deferred equity program.

The CHAIRMAN (Mr. Cameron): Now, Mr. Moreau.

Mr. MOREAU: Dr. Willard has covered many of my questions, but these are supplementary to Senator McCutcheon's question. I was going to ask Dr. Willard if he knows of any privately operated scheme or of any other scheme which could provide benefits to people, for instance, who have not contributed, such as people who are over 68, and to widows before 1968, or to orphans before 1968, or before 1970? Does he know of any private scheme or any other way in which to provide these benefits to them under any sort of contributory scheme where there is no transfer payment?

Dr. WILLARD: Offhand I cannot think of one, but it may be that there is some possibility that I have not thought of.

Mr. MOREAU: Would you agree with Senator McCutcheon's point that the man who gets the greatest benefit is the one who is nearing retirement age?

Hon. Mr. McCUTCHEON: I am 66 and I am in pretty good condition.

Mr. MOREAU: You are in pretty good condition anyway. But would you agree, Dr. Willard, that in all these categories there are widows, orphans, disabled and so on, who would achieve a very dubious status, that is, who would be widowed, orphaned, or disabled after the beginning of the plan, and that they would all be receiving a high degree of benefit in relation to the contributions which have been made?

Dr. WILLARD: That is quite true.

Mr. MOREAU: So essentially what we are really doing is paying something of a price for the fact that we are bringing in this scheme very late. In other words, if we had started 20 years ago or so, we would have overcome many of these objections, if they could be called objections.

The CHAIRMAN (Mr. Cameron): Has Mr. Aiken a question along this line?

Mr. AIKEN: No, I have a question on a new subject.

The CHAIRMAN (Mr. Cameron): Now I have Mr. Gray.

Mr. GRAY: I want to examine Dr. Willard with respect to the point raised by Senator McCutcheon, and ask if something similar is not done with many private schemes where credits are given to employees for service which they have rendered before the start of the scheme, even though they do not contribute enough to make up the years of service before the scheme began.

Dr. WILLARD: I understand that some private schemes do try to make some adjustments in this regard.

Hon. Mr. McCUTCHEON: You mean back service benefits.