

Dr. WILLARD: Yes, that would be a factor in some portion of all the benefits. If you take widows with dependant children, for instance, as I mentioned last time, we would expect the relative cost to or the relative expenditures by provincial governments under mothers' allowance to decrease.

Hon. Mr. McCUTCHEON: That is, all future widows.

Dr. WILLARD: Yes. This would mean that many widows instead of having to have a test of need to receive the benefit would receive the benefit as of right under this program without going through that procedure. So, it would be a shift from a social assistance type of protection we now have to a social insurance type of protection. I have some figures here on assistance costs.

Mr. SCOTT: Have you any figures in respect of the estimated amounts which the provinces will not have to pay out as this shift takes place?

Dr. WILLARD: We do have figures, and the research adviser, Mr. Osborne, hopes to have some of the material for this afternoon's meeting, if not for later this morning. This was prepared in response to a request at our last meeting; this will give you a measure of the level of expenditures by the provinces, for instance, under the mothers' allowance program and under the other assistance programs. But, as I mentioned before, any reduction of these costs will take some time before it begins to take effect. As the age reduced benefit becomes available it will have some effect on old age assistance; as the benefit for widows with dependant children become available it will have some effect on mothers' allowances. Similarly, as the disability benefit becomes available, it will affect the assistance program for the permanently and totally disabled. But, this would be a matter which will take place gradually over a period of time.

Mr. Chairman, I do have with me some expenditure data on health and social welfare as a percentage of gross national product at market prices in 1962-63 and, if you wish, I will read them into the record at this time. I am sure they are from the same basic material which Senator McCutcheon quoted. It shows New Zeland at 12.1 per cent; the United Kingdom 10.5 per cent; Canada, 9.4 per cent; Australia, 8.2 per cent, and the United States, 7.0 per cent. This is for 1962-63, and I am not sure whether that was the same year quoted by Senator McCutcheon.

Hon. Mr. McCUTCHEON: My figures related to 1961-62.

Dr. WILLARD: Well, this is on year more recent.

The CHAIRMAN (*Mr. Cameron*): Dr. Willard, is that all you wish to read into the record at this time?

Dr. WILLARD: Yes.

The CHAIRMAN (*Mr. Cameron*): Have you a question, Mr. Chatterton.

Mr. CHATTERTON: Yes. I would like to refer again to the contributor who pays for a period of 10 years and retires at the age of 65. Let us say that contributor had annual average earnings of \$20,000 per year. Am I correct in assuming that he will pay only some \$800 total?

Dr. WILLARD: Yes, he would only pay on up to \$5,000 for each year.

Mr. CHATTERTON: But a total sum of \$800?

Dr. WILLARD: Also, there would be the basic exemption.

Mr. CHATTERTON: So, even though he would be earning \$20,000 he would retire at 65 with \$104 a month. According to figures I have, discounting the insurance supporting benefits, if he bought a government annuity, which would give him an equivalent benefit, it would cost over \$10,000. Generally speaking, where does that transfer payment come from?

Dr. WILLARD: In respect of those sectors of the plan where there may be some cross-subsidization favouring this or that group under coverage it is

Shift in
welfare
from
prov. to
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