

subject in another place, but perhaps I am to some extent familiar with the idea that the Government had in mind. It was publicly announced about a year ago, I think, that the policy of the leader of the present Government contemplated the ultimate establishment of an old age pensions law under which the Federal Government would bear the total cost. That of course implied the establishment of necessary administrative machinery, for it is unthinkable that if the Government paid the total cost resulting from legislation on an important matter of that kind, it would not control the operation of the Act. It is not usual for Governments in granting such large sums of money to entrust the distribution to outside parties. Different opinions were expressed throughout the country as to the best means of conducting an old age pensions system. I think it can be truly said that some people advocated non-contributory pensions, while others suggested non-contributory unemployment insurance, which has been pressed upon Governments from time to time. It is possible that the decennial census taken this year will give us more accurate knowledge than we now possess as to the number of unemployed in Canada, the total population of the country, and other interesting facts. When that information is available a new old age pensions scheme may be devised. Pensions may be granted to persons for services rendered as citizens, or to workmen in industries, or in various other ways. Pensions and insurance are not on the same footing, as all honourable members will agree, and the Government desired to make it clear, I think, that insurance must of necessity be on a contributory basis. It was felt that eventually a plan might be developed for combined action with regard to old age pensions, annuities and unemployment insurance, but that it was inadvisable to attempt anything of the kind until further information was in the hands of the Government and available for study by actuaries and other experts in working out a plan, if so desired. I think when this Bill was introduced the Government had something like that in mind. It is not improbable that such a plan would be on a contributory basis, so that the people who benefit would feel they had a proprietary right to do so. We have in Canada, as honourable members know, the Annuities Act, under which at present approximately 50,000 people are making contributions.

The Bill was apparently amended in another place by the elimination from the preamble of the words that have been quoted by my honourable friend. As I have already stated, the principal object of the measure is to in-

crease the Dominion Government's contribution to old age pensions from 50 per cent to 75 per cent of the sums paid out by the various provinces.

It may be of interest to remark here that many people in Canada who are eligible for old age pensions have not applied for them, because they feel that to do so would mean a sacrifice of their independence. They look upon pensions as something savouring of charity. In some provinces—I have one particularly in mind—the opposite view is being entertained to a considerable extent, and it is claimed that the Federal Government is liable for contribution towards pensions for persons over seventy years of age who are living in old people's homes which are supported by municipalities. I am not at all sure that state of affairs will continue very long, for the Government desires that the operation of the Act shall be uniform throughout the country.

I have another observation which may be of interest to honourable members. During my recent trip through Western Canada I found instances of people who have resided in this country for more than twenty years and never thought it necessary or desirable to become Canadian citizens until they reached the age of seventy and wanted to become eligible for pensions. This matter is receiving the attention of the Government at the present time.

Hon. Mr. DANDURAND: Like my honourable friend, I have not read the debate on this matter in the other House. I do not know why the Government dropped certain words from the preamble of the Bill, but I know that Great Britain started out as we did, with a non-contributory scheme, and within three or four years the burden upon the British treasury had become so heavy that a contributory system was found necessary. It seems evident that before long our federal treasury will be carrying the whole burden of old age pensions, and I venture to predict that that burden will be found very heavy. Of course, some plan must be devised, whether on a contributory or a non-contributory basis. I have been agreeably surprised to find that many labour organs in this country advocate the establishment of a contributory rather than a wholly non-contributory system. In view of this fact, it seems to me that preparations should be made for the establishment of such a scheme in the near future. Of course, it may be necessary to consider the establishment of a plan that to some extent at least will operate on a non-contributory basis, for persons who have passed the age of forty and wish to take