

demonstrates, there are other priorities of unmet need, and other responsibilities, the magnitude of which is as yet unknown, which may fall upon the shoulders of the Canadian people in the field of national security.

51. All things considered, therefore, the Committee is of the opinion that the most suitable old age security plan for Canada under present circumstances consists of a two-fold program, as follows:

- (a) A universal pay-as-you-go program applicable to all persons 70 years of age and over, based on the contributory principle and administered by the federal government. The benefit should be a flat, uniform amount of \$40 a month for all eligible persons, and eligibility should be based solely on age and a suitable residence qualification.
- (b) For the age group 65 and over not eligible for the universal benefit, old age assistance at the rate of \$40 a month should be available, subject to an eligibility test in some respects similar to that which exists under the present old age assistance program, but modified to take account of the different characteristics of the age group to which this test is to apply, and adjusted in such a way as to recognize to a greater extent than at present the desirability of encouraging recipients to earn supplemental income.

52. One important result of lowering the age of eligibility on a selective basis to 65 would be to make provision for a substantial number of persons presently in need because of premature ageing or of invalidity. To the extent that the age of eligibility under old age assistance is lowered to 65 it can be considered as making a significant contribution to the security needs of the disabled members of the population in the upper age groups.

53. Because a program of the assistance type requires individualized treatment, it is important that it should continue to be administered by the provinces. In order, however, to limit the financial burden on the provinces, the Committee believes that the provincial share of such a program should be somewhat less than the cost to which they are committed under present legislation. This objective, according to the Committee's estimates, would be achieved if the federal government were prepared to share the cost of the assistance program on a fifty-fifty basis.

54. The two-fold program here set forth would accomplish the two main objectives of abolition of the means test from the present federal-provincial old age assistance program and of lowering the age of eligibility for old age assistance to 65 years. The main body of evidence placed before the Committee gave the highest priority, in that order, to the attainment of these ends.

Cost

55. The Committee recognizes that this is an expensive program—a program which overnight would increase three-fold the combined expenditure of federal and provincial governments under the present old age assistance scheme.

56. An expenditure amounting to \$388 million (estimated) in the year 1951 for the program outlined above is not one which any group of responsible legislators would favour if they had any fears that the cost would be more than the people of Canada were able or willing to pay, or if they were not deeply convinced that the Canadian people are firm in their desire to achieve for our aged people the ends of social justice. Such a program would indeed place Canada without question in the forefront of the nations of the world in respect to old age security.