

One unfortunate aspect of the legislation in Prince Edward Island was that the Department of Veterans Affairs moved in and began deducting this amount from the recipients of War Veterans Allowances. In turn, the Province of Prince Edward Island said, in effect, if it is going to be taken off by the Department of Veterans Affairs, we are not going to pay it. Consequently, while this was being straightened out, there were many cases where for a period of two or three months the veteran received \$25 a month less than he had normally received before. I believe this is what Senator Grosart had in mind.

The comment I would direct to the Leader of the Government is that last week when we dealt with medical care, it was clear that the Government was insistent on a 90 per cent to 95 per cent coverage. This was for the young, the healthy, and for those who are able to take care of themselves. I find it rather strange that this figure, that was described, I believe, as the "magic of averages", is completely missing in the case of our senior citizens who are unable to care for themselves. I am sure that when he comes to close the debate, he will, with all his Irish charm, explain why the 90 per cent covers only the benefits to the young and not the aged.

Hon. Gunnar S. Thorvaldson: Honourable senators, my few remarks on Bill C-251 will be directed solely to the new principle now being adopted or—as it might be described—the change of direction which is now taking place in our country in respect to federal involvement in the field of old age pension legislation.

Let me say at the outset that I have a feeling of sorrow and frustration that any Government of Canada should abandon, as is being done by the measure before us, the principle of the universal old age pension system. This system was recommended to Parliament by a Joint Committee of the Senate and the House of Commons many years ago, after painstaking study. Then it was concurred in by Parliament practically without dissent.

The measure which followed, namely, the Old Age Security Act of 1951, adopted a universal pension scheme for Canada, provided for a fixed monthly sum to all persons in Canada meeting qualifications as to age, residence, and so forth, and without any requirements concerning means or income. These payments commenced at \$40 a month and, as the wealth of Canada grew, as the gross na-

tional product went up, and as the cost of living rose, periodic increases in the pension were made, until we have now a universal pension of \$75 a month. The basic and fundamental consideration was that the plan was universal and no income or means test of any kind was required.

One known result of the scheme was that a considerable amount of the payments made under the plan would be returned to the treasury in the form of income tax payments from those persons who were in tax paying positions.

The next development, which is laudable if the country can afford it—which I believe it can—is a gradual reduction in the age of beneficiaries under that act until the minimum age of qualification in a few years reaches 65.

A later development, only a few months ago, was the enactment of the Canada Assistance Act, having as I understand it objectives very similar to those under this bill and as a result of which any investigations with regard to persons seeking to qualify for assistance would be made on the provincial or municipal level, by welfare workers engaged by those bodies who, I submit, are the only persons properly qualified to determine the welfare or the financial needs of lower income people.

Senator Grosart said in his speech to the house this evening that the wrong act was being amended. With that statement I agree wholeheartedly. If we desire to give a supplementary pension, as is being done now, I submit that that should have been done under the Canada Assistance Act or through similar means, in co-operation with the provinces and municipalities. They, I submit, are the only governmental authorities who should have anything to do with a means test or a needs test in the case of our older people.

It is my conviction that up to now Canada has had the fairest, the most generous and the most up-to-date welfare system in the world, not excluding even the United States, which has per capita wealth and income much in excess of that in Canada, and excluding also any reference to the Canada Pension Plan which is expected eventually to have a beneficial effect on the living standards of Canadians. In the light of these facts, I simply cannot understand why our Government should embark on a formerly discarded theory of old age pensions. To me, everything about the system adopted in this bill is wrong.