

election of the lower figure. I suggest that the reason for your objection is that you feel they would not be aware of the fact that their needs will rise rather than drop. Most people would assume that their needs will drop. That is a misconception, but it is a very general one. As you get older your responsibility to others lessens, and you think you can live on less because your needs will be less at 80. It may be that at 80 you have less desire to go to night clubs.

Mr. ANDERSON: That might be true, if the community were static. Our strong feeling is that we require many more facts in order to analyse the magnitude and pattern of the desirable types and rates of benefit that should be paid. Our thinking carries us directly into the region of the disabled, the orphans and the retarded population. We think it is logical to deal specifically with people who have little or no access to labour income and that this is a problem of the community which requires solution.

In the area of so-called earnings related benefits, which is touched on in our brief, this relates primarily to the proposals in the Canada Pension Plan. As far as the benefit structure is concerned, our feeling is that this plan is designed to pay large amounts of unpaid for benefits in perpetuity to the wrong people. As far as we can tell, for the foreseeable future the plan will be in the position where people benefitting will receive a windfall, in the sense that they will get benefits worth more than the contributions they pay. The people with the higher earnings records previously, will get the biggest windfalls. Our long-term forecasts do not indicate that this situation will disappear. We do not think this can be characterized as a transitional problem.

Furthermore, the Canada Pension Plan, long-term, by its own terms, will operate in such a way that among the retired people, the oldest people will always be getting the smallest benefits. This is because of the way in which the benefit formula is geared to the wage structure. It is perfectly obvious that the average pensionable earnings records for individuals are going to rise as the years go by. In the long term, this can result in average initial benefits being doubled in from 15 to 20 years. After retirement they will be corrected in part by the post retirement provisions of the cost of living index figures. Over all, the emerging pattern will always be one where the oldest people will get the lowest benefits. In this sense the Canada Pension Plan is merely aggravating the difficulty which relates to the levels of private income resources. There does not seem to be any way you can avoid this completely as far as private resources are concerned. We do not see why governments should be aggravating this problem rather than working in the direction of correcting the situation. The oldest people among the retired had the least opportunity to save and the most opportunity to have had their savings dissipated.

Our rather strong feeling is to the effect that the Canada Pension Plan in its present form is, if I may use the word, antisocial. It has been characterized in our brief as "upside down welfare," which we think it is.

Of course, we are not taking exception to the Government financing benefits through an earnings tax. This is a logical way of financing transfer payments to people who have no access to current labour income. It seems to be the most efficient financing method, to tax labour income to provide for these benefits. But we think that when an individual is subjected to an earnings tax, that the greatest individual entitlement he should be able to get when he retires, as a consequence, and as distinct from the general program—the greatest individual entitlement he should get would be what his money will buy. We cannot see any reason for granting an individual a refund after retirement that is beyond the limit of what his contributions will purchase. We have no objections to an earnings tax being used on a "pay