

supplementation. It is up to the provinces, of course, whether or not they give such supplementation. In those provinces in which the general assistance program is operated through the municipalities, the decision rests with the local municipality. Costs of supplementation under this assistance program are running at an estimated \$11.5 million for this fiscal year.

The major recommendation of the 1950 committee was the universal flat rate pension. This represented a very important new approach and change in emphasis with regard to income security for the aged in Canada. We had adopted, as I have mentioned, a voluntary approach back in 1908 and a social assistance approach on a means test basis in 1927 with a needs test type of supplementation after 1957.

5 The number of beneficiaries under the old age security program at the present time, is nearing the one million mark and will pass that number next year. Expenditures in the current fiscal year are of the order of \$882 million. The minister mentioned that it will be \$906 million in the next fiscal year.

For the current fiscal year the total federal-provincial expenditure for old age income security is \$983.5 million. Of this the federal share is 94.8 per cent. It is apparent that at this stage the universal flat rate benefit is the dominant measure in the provision of old age income security.

The bill before us suggests a new approach. It does two things. First, it introduces an earnings-related type of old age pension and, second, it adjusts the flat rate pension so that the two programs form an integrated system.

This means that a double deck program is suggested with a flat rate portion plus an earnings related portion. This approach has been developed in a number of countries over the past few years.

In the United States, under their old age survivors and disability insurance program, they have incorporated a minimum pension as part of the benefit provision, so that anybody who qualifies, regardless of his previous earnings record, will receive \$40 as a minimum pension.

In the United Kingdom, where over the years they had developed a system of flat rate benefits, they introduced in 1959 a contributory scheme with graduated benefits which are in addition to their old age flat rate benefits. This program came into operation in 1961.

The other day I had an opportunity to attend a luncheon at which Professor Titmus from the United Kingdom was the speaker. He was here for meetings at the Canadian welfare Council. He indicated that in his view, the United Kingdom was moving away from what he called a "flat rateism", and that they were at the stage where they were seriously considering graduated benefits, not only in the case of retirement pensions but also in connection with their many other benefits which are on a flat rate basis.

Sweden had flat rate pensions, and those of you who were present at the committee in 1950 will recall that a great deal of attention was focused on the Swedish scheme and the fact that they for many years had a flat rate pension system. However, in 1959 Sweden added supplementary graduated pensions for all employees and self-employed persons earning \$800 a year or more.

If I may turn now to question of survivors and disability benefits. Canada has had a variety of assistance programs. The earliest and main intervention in this field was by provinces which began following world war I with the introduction of mothers' allowances programs. They have provided a great deal of income security for widows with dependent children. At the present time about 45,000 families with 116,000 children receive such assistance, and the cost is about \$50.6 million.

Mr. CHATTERTON: That is to the federal government?

Mr. WILLARD: No, to the provinces, These are all provincial programs for the payment of mothers' allowances. This is quite apart from any assistance which may be provided to these same families, as well as to other families