

Dominion regulations. While the old age pensions regulations are regulations made by the Governor in Council under the authority of the Dominion Act, they are made on the recommendation of the Dominion and provincial members of the inter-provincial board and can become operative in a province only with the approval of the Lieutenant-governor in Council of the province. The nine provinces have made agreements providing for a maximum pension of \$360 a year, with the maximum allowable income specified in the Dominion Act.

Now, I don't know to what extent that memorandum will be intelligible to the members without having it before them to read, and possibly the Secretary of the Convention might be prepared to mimeograph it and lay it on the desk of each member. But in brief the story is this:<sup>1</sup> it is not the Government of Canada which pays the old age pension to the people of Canada. It is the provinces — each one of the nine provinces pays the pension, and it pays it according to its own provincial law.... The province can pay \$1,000 a month if it likes, but if the provincial pensions authority enters into an agreement with the federal government, the federal government says, "We will hand over to you 75% every month of \$30 (\$22.50) a month." But if the federal government hands over \$22.50 to be paid out in old age pension, the provincial government must put \$7.50 with it, making it up to \$30 per month for people who have reached the age of 70 years. It is not paid to everyone as the family allowance is. There is a means test. You can get \$30 a month old age pension if you need it. You can get it and still have a private income of your own from any source whatever of \$240 a year, \$600 altogether.... If you earn over that much, here is what happens. If you get \$250 a year, \$10 will be taken off the pension. If I should have a private income of \$300 a year, then my old age pension is not \$360 a year, it is cut down to \$310. If I have a wife, the same thing applies. If she is 70 she gets \$30 in just the same way. That is \$60 a month from old age pensions between the two. The only difference is that when the man and wife get a pension of \$720 a year, they are not allowed more than \$1,080 total income.... Take a man

living in an outport; owns his own home; not earning any money at all; maybe he is sick; maybe he cannot work; maybe he cannot get a job. He does not get \$240 a year; maybe he does not get 240 cents. But he has a house; if he did not have a house, he would have to pay rent. So the provincial pensions authority has the right to say this, ... "If you did not own that house you would have to pay rent, that is worth \$96 a year income because you own and occupy that house." If it is worth \$10 a month, that is \$120 a year. He is still under the \$240 — \$20 a month is counted as income. How many homes in the outports that are worth up to \$20 a month rent and occupied by persons of 70 and over, I do not know.... If they are, that is \$240 a year income. If the rental value be \$260, then that is \$20 taken off the old age pension. It is not taken off his wife's pension — it is taken off the person who owns the house. One other point: the pension is paid starting at the age of 70 only to those who need it; 75% comes from the Government of Canada and 25% from the provincial government. \$750,000 a year would be our share of the old age pensions. We now pay \$260 a year for old age pensions, because we do not pay until a man is 75 and then only \$30 a quarter for two — man and wife — \$10 a month, that is what we pay....

But this must be made very clear. If a person reaches the age of 70 and gets the old age pension, until he dies his property is his own. No one else owns it but himself. When he dies it is his widow's; nobody gets it but her. When she dies, if no one has contributed to their support, the government steps in, and out of the estate, if it is worth \$2,000 or more, the government takes back the pension it paid. The idea is this: the old age pension is only paid to those who need it. It was not got up for rich men, wealthy men, men fairly well off, or for people who have sons and daughters who can help them out. It was gotten up for people who need the help. There is a means test....

**Mr. Hillier** I would like to ask Mr. Smallwood a question. We all want to be fully informed on these matters and we want to be sure things are as they are. In the case of old age pensions, will any claim be made by pension authorities on property of a pensioner after his death? Or will a son, to whom said property may be willed, be

<sup>1</sup>The section taken from the recording ends here.