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**Mr. Chairman** Your point is where it is over \$2,000, then they have no discretion in the matter at all. Where it is under \$2,000, if we had a provincial legislature, it would depend upon what comparable legislation had been in the past?

**Mr. Hickman** I understood the pension authorities had the choice. From reading this, I would say they would be compelled to make a claim against the estate where the estate is in excess of \$2,000 and also in the case of less than \$2,000 they could make a claim to recover the pension if they so desired. Their optional right is there.

**Mr. Chairman** I do not want to get into the intricacies of constitutional law, but I want to express a legal opinion. In my judgement the position taken by Mr. Hickman is perfectly justified.... Theoretically it is within the competence of the provincial legislature to deal with estates under \$2,000, should that legislature be so minded. Over \$2,000 it has no discretion at all.

**Mr. Smallwood** I was not questioning that.... However, we can easily clean up the matter in this way. I will give notice before the sitting ends of a question to ask the Government of Canada to give us a memorandum showing clearly what the practice is in connection with old age pensions, and it will be beyond all doubt. I can assure you now, pending the receipt of an official reply, that where the value of an estate left by an old age pensioner is under \$2,000 nothing is taken out; over \$2,000 something is taken out only after the widow who is herself a pensioner has died and only if none of his children or anyone else has contributed regularly to the support of the pensioner....

There is just one point I want to make before I pass on to unemployment insurance.... A man or woman, whose father or mother being 70 years of age, gets the old age pension, who wishes to fall in for his father's or his mother's property, has only one thing to do, that is to help to support the old people and ... contribute regularly for three years. If no person does it and the government has to do it, then the government can get the money back out of the pensioner's estate when he or she dies, if the estate is worth more than \$2,000 net.

**Mr. Miller** Before we move on, when we were dealing with family allowances, we had a known number, 117,000 children in the country, we also

had a known amount; when we move into the old age pensions, we move into a field of conjecture. Some suggested we have 12,000 people in Newfoundland over the age of 70; they assume 10,000 of that 12,000 would apply for and receive the old age pension. If that 10,000 did receive it we know it is a known figure; we would have to contribute \$7.50 a month for each person and the grand total is given as \$750,000. Now that is not even correct; it should be \$900,000. That is a matter of only \$150,000. I would refer you to Black Book Vol. 2, page 60 — there is an amount there of \$510,000 — that is what the province would have to pay. That is why the \$7.50 is given. There is a difference of \$400,000 from our method of calculation....

**Mr. Smallwood** Bearing on that, Mr. Miller is pointing out that the \$510,000 shown is incorrect, and the amount will be corrected when we get around to it further on in the debate.

**Mr. Miller** It will have the effect of driving up the expenditures, and driving up the amount we will have to collect by \$400,000.

**Mr. Smallwood** That is so. I give notice that I will on tomorrow ask His Excellency the Governor in Commission to lay on the table a statement showing clearly what the practice is in connection with old age pensions in the recovery of the pension paid to a pensioner leaving an estate at death.

**Mr. Bailey** We can come back to this later on?

**Mr. Chairman** Definitely....

**Mr. Smallwood** Clause 4, subsection 3: "Unemployment insurance, as provided by the Unemployment Insurance Act, 1940 and amendments".... I may say that the committee of the Ottawa delegation that had to deal with unemployment insurance conferred for some long time with the members of the Unemployment Insurance Commission. I think the members of that committee were Mr. Crummey, Mr. Burry and myself....

**Mr. Hollett** Could Mr. Smallwood please describe what he means by a "worker" under this plan?

**Mr. Smallwood** A worker is a person insured under the act.

**Mr. Hollett** Could you tell us who they are?

**Mr. Smallwood** I have read out the classes not insured under this act. The others are workers under this act. Page 99, "Cost of administration