

Social and Economic Security

officials advocated solutions without giving enough consideration to the desires of the people concerned.

And in that field, I believe that instead of considering the establishment of new structures we should improve the existing ones and provide municipal councils, which know better about those problems, with modern solutions and structures, in short regroup them into local governments with the same social ambitions where one would have a feeling of belonging, in order that these area governments may take the responsibility of area planning and of implementing the programs needed to cope with the situation.

Had we had such a regional government in the Lower St-Lawrence and Gaspé, the Grand Portage, the Metis and the Magdalen Islands areas, had we, with the help of experts, those I call architects, and that of the local owners and citizens, looked for solutions to all problems, we would have obtained better results; indeed, the amounts voted for that purpose not only would have been entirely spent but would have proved insufficient.

Now, remedies to the problem of poverty at the individual level are harder to find. Whereas the mover of the motion proposes a universal social security plan, the government, through its legislation, is bent instead on studying selective solutions. The governments want to study the question of income under two main aspects: the protection it should get and the support it needs.

Some income programs are being more and more criticized for their being universal, that is that most Canadians, if not all, are eligible, whatever their income may be. In some cases, payments are being made even to people already largely provided for. Family allowances, and in particular those granted to young people, belong to that category.

Now, the new government plan is designed to correct that situation and to channel the tax dollar through to the families most in need, in order that all the able-bodied recipients be encouraged to find a job. Moreover, some flexible aid is available to those who need it only on a temporary basis.

While trying to remedy the income deficiencies and to reduce poverty, the new plan will help stabilize employment, wages and prices. The protective aspect of social insurance is emphasized instead of the universality or the automatic right to benefits.

The family allowance plan has failed to channel funds where the need was the most urgent. It is estimated, for example, that in 1971, 24 per cent of family allowances will be paid out to families with an income under \$5,000, while 76 per cent will be paid out to families with a higher income.

Under the present Family allowance plan, which provides for the payment of allowances on a universal basis without any means or needs test, it would cost \$80 million a year to increase the benefits by only \$1 per child, there being 7 million children in Canada. Doubling the rate would account for additional expenditures of \$560 million a year.

The need for a family income security plan is quite obvious. It accomplishes an equitable distribution of the taxpayer's dollar, allocating it to those who need it most,

without however depriving of any motivation those able to be part of the active labour force.

Besides, the white paper was intended to co-ordinate all the elements of social security, in order to allow Canada to develop a completely integrated welfare program, a program which will undoubtedly set an example to the rest of the world.

The plan is a step in this direction. This Family Income Security Plan, as its name very aptly puts it, will complement the old age pension, the guaranteed income supplement, the unemployment insurance and the Canada Assistance Plan.

Consultations with groups, individuals and provincial governments have led to an agreement under which benefits from this new plan will be based on three fundamental criteria: The number of children, their age, and the family income.

More than two million families, it is expected, will draw benefits under this new plan and about one and a quarter million will receive maximum benefits, that is children of poor workers and welfare cases as well as most mothers who are the sole supports of 300,000 children.

The highest monthly benefits in the plan will amount, as perhaps hon. members wish, to \$15 for each child under the age of 12 and to \$20 for children aged 12 to 17 inclusively. However, in order to ensure an equitable distribution of the taxpayer's money, the monthly benefits for each child will decrease as the family income increases.

It has been decided to set the minimum income of a family with one child at \$4,500. Thus, the family whose annual income is \$4,500 and which includes only one child will receive the \$15 maximum benefit if the child is less than 12 years old.

With each additional child, a family will be entitled to receive a minimum of \$500 more, while being paid the maximum benefits. In other words, a family including two children will be paid the maximum benefits as long as its income does not exceed \$5,000. In the same way, a family including three children will be entitled to the maximum benefits as long as its income does not exceed \$5,500. The minimum income of a family may increase by \$500 per year for each child after the first one.

During the discussions which preceded the drafting of the white paper, it was suggested that benefits should cease when the family income reached \$10,000 annually. But it was later decided not to impose this ceiling. The maximum income that a family may receive will depend on the number of children and on the rate of decrease.

• (4:50 p.m.)

Not only will this plan replace the old one, it will extend coverage to the young people of 16 and 17. It will also replace the former youth allowances program. It is the result of the wishes and requests made by various groups and the provincial governments.

This plan gives the provinces enough leeway to set up their own priorities with regard to additional programs and family assistance. In fact, higher payments, based on selection, will provide the provinces with a basis from which they can develop the kind of family assistance they prefer. Similarly, the income scale adopted by the new plan can serve as a criterion for the provinces, thus spar-