

Chapter VI

SOCIAL ASSISTANCE AND SOCIAL SERVICES: THE CANADA ASSISTANCE PLAN

As described in Chapter II, the Canada Assistance Plan (CAP) authorizes the federal government to share 50 per cent of the costs of provincially-delivered social services and social assistance subject to a test of need or likelihood of need. In this report 'social services' refers to personal services such as day care, home-makers, counselling services, child welfare and so on. 'Social assistance' includes only the payment of money to families or individuals to meet the ordinary expenses of daily life. Social assistance is usually available only as a last resort when all alternative sources of income fail. The disabled and single parents with dependent children make up the largest proportion of recipients. Persons who are able and willing to accept employment but who are unemployed may also receive social assistance if they are not eligible for unemployment insurance. (These definitions do not correspond precisely to those in the CAP, where social assistance includes social services purchased on a recipient's behalf as well as some child welfare services; further, in the CAP, 'social services' are called 'welfare services'.)

Although federal payments to the provinces under CAP are not part of the Fiscal Arrangements and Established Programs Financing (EPF) Act, they are linked in a number of ways. First, social services cost-shared under the CAP are closely related to extended health care programs covered under the EPF. As discussed in Chapter IV, part of the CAP was therefore 'folded in' to the EPF in 1977. Second, as one of the main federal-provincial transfer programs and the only remaining cost-shared transfer system, CAP will have to be considered in any general re-assessment of federal-provincial fiscal arrangements.

Although CAP transfers account for less than a fifth of the amount transferred under the fiscal arrangements and EPF, a surprisingly high proportion of the briefs heard by the Task Force focused on the CAP. This no doubt reflects not only the number of individual agencies active in this area, but also the priority many Canadians attach to programs now shared under the CAP. In its present form, CAP received broad support during the Task Force hearings. Nevertheless, in the review of briefs submitted to the Task Force, and during questioning and internal discussions, several major concerns emerged. This chapter presents these concerns and Task Force views on them.

Fiscal Arrangements for Social Assistance

We view programs in income redistribution, including social assistance paying money to individuals and families, as an area of co-jurisdiction with the provinces. This approach coincides with the 1969 constitutional proposals of the federal government "that Parliament and the provincial legislatures ought to have equal powers to make general income support payments to persons".¹ This proposition was accepted at that time by all provincial governments except that of Quebec.² *The Task Force believes that the Parliament of Canada has a constitutional responsibility for programs of income redistribution, including social assistance programs paying money to Canadians anywhere in Canada.*

If governments have concurrent authority in this area, it is most reasonable that they share fiscal