

stantial transfer of funds to Canadian families. Such a measure will be of great benefit to people with low and middle incomes but the greatest benefit will result in a net increase in payments to Canadian families of over \$800 million in a full year.

Second, we are suggesting that where income from employment, plus the higher family allowances, still does not provide the family with an acceptable minimum income, consideration should be given to a single general income supplementation program. Such a program would have the advantage not only of providing more acceptable incomes to the working poor, but also of providing them with an incentive to continue to work rather than to go on social aid.

The aged and the needy

The largest groups of people, however, who do not receive an acceptable minimum income — whether from employment or social insurance — are those who are old or disabled or otherwise not employable. And there are the large numbers of single parent families — largely widowed or separated mothers with dependent children — who choose not to seek or who are unable to find employment outside the home. We suggest that additional income supplementation should be provided to these people, thus assuring them a guaranteed income.

In the case of the aged, we propose that they enjoy an option to choose between this guaranteed income and the existing OAS/GIS system. Finally, to accommodate cases of special and emergency need, we suggest a “back-stop” program of supplementary social assistance.

To make the employment and income-supplementation strategies fully effective, we advance a social and employment services strategy, based on two propositions. The first is that necessary training, counselling, placement, rehabilitation, and child-care services should be extended and improved. The second is that the costs of special services in areas such as nursing home and child care services should be covered under the plan for those in need of them but who are unable to meet these costs themselves.

The review of the social security system upon which we are embarking is, as I have consistently stated, a joint federal-provincial venture — both the review and ultimate implementation. It is for this reason that we are setting out propositions rather than fixed proposals, and why we have not sought to make proposals concerning jurisdictional and financial divisions of responsibility.

We have, however, a general format to suggest — a flexible and creative approach to the federal-provincial dimension. This proposed format in-

cludes major innovations in the field of federal-provincial or constitutional arrangements.

First, subject to certain national minimums, we suggest that provinces should have the power to vary the levels of allowances and income supplements paid under federal programs. Within prescribed limits, the provinces would be able to reduce the allowances paid under one federal program and transfer the savings to increase the allowances paid under another program.

Second, we suggest that, as a condition of this flexibility, there should be a framework of national norms and national minimum standards to ensure a basic equity to all Canadians affected.

Finally, we propose that the entire review be completed within two years, and that the implementation of such an approach should be regarded as a three- to five-year process, starting from the April conference of ministers of welfare and calling for the gradual implementation over time, within existing levels of taxation, of the approach which is agreed upon. However, early priority should be given to the adoption of legislation this year for increasing family allowances and for those changes in the Canada Pension Plan which the provinces can agree upon. It would be our hope that the increased family allowances would come into effect in January 1974....

Canada signs claims agreement with Czechoslovakia

Secretary of State for External Affairs Mitchell Sharp signed on April 18, on behalf of the Government of Canada, an agreement settling outstanding claims by Canadian citizens against Czechoslovakia. Dr. Rudolf Rohlicek, the Czechoslovak Minister of Finance, signed on behalf of the Government of Czechoslovakia. Negotiations began in Prague in May 1971.

The agreement will come into force on the date on which the contracting parties inform each other through an exchange of letters that the agreement has been approved by their respective Governments. This exchange will take place in Prague as soon as possible.

The claims covered in the agreement arose from postwar nationalization and similar measures of the Government of Czechoslovakia; the agreement covers

certain properties that were owned by Canadian citizens at the time of the nationalization. (The claim of Mr. Thomas Bata Jr. for the nationalization of the firm Bata a.s., Zlin and its subsidiaries in Czechoslovakia is not covered.)

The pact provides for the payment of \$3.25 million in seven equal annual instalments, the first instalment to be paid not later than 90 days from the coming into force of the agreement.

The Foreign Claims Commission will be authorized to make recommendations to the Secretary of State for External Affairs and the Minister of Finance regarding the distribution of the proceeds of the settlement; those persons who have filed claims with the Government will be notified of the settlement.

Aircraft sale to Norway

National Defence Minister James Richardson, recently announced the sale to Norway of 22 CF-104 *Starfighter* aircraft, together with associated program support in equipment, parts and training, for more than \$13 million.

The aircraft have been surplus to the Armed Forces' inventory since July 1970, when Canada reduced the number of its CF-104 squadrons serving with NATO in Europe to three from six.

Mr. Richardson said that the cost of the aircraft to Norway, an initial stock of spares, and supporting training and administration charges was \$9,175,000. The Canadian aviation industry will also receive about \$4 million from Norway for engine overhaul and air-frame work.