

# Canada Weekly

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## Major overhaul for Canadian social security system

Family allowances increases from the present average of \$7.21 a month to \$20, and a guaranteed minimum income, were among the main recommendations in a working paper on social security tabled in the House of Commons on April 18 by the Minister of National Health and Welfare, Mr. Marc Lalonde. Canada's redesigned social security system, the subject of a three-day federal-provincial conference of welfare ministers that began on April 25 in Ottawa, will be implemented, it is expected, over a three- to five-year period, although the higher family allowances would, Mr. Lalonde hoped, become effective next January. The Government's proposals were described as follows by the Minister:

...First of all, we are proposing an employment strategy. By removing from existing programs disincentives to seek training and employment, by improving government-provided counselling, training and placement services, and by establishing an on-going program of community employment in socially useful activities, we hope to improve the potential of Canadians who have been unemployed for an extended period of time to obtain an employment income.

### Social insurance

Next, we are proposing a social insurance strategy. To meet the contingencies of short-term unemployment and to provide for retirement, disability, and the support of survivors, we recommend the maintenance and strengthening of social insurance programs. In this regard, we advance two specific proposals in relation to the Canada Pension Plan which we would like to embody in legislation this year — subject to a provincial consensus. This involves an increase in the level of yearly maximum pensionable earnings to \$7,800 by 1975, and the removal of the ceiling on cost-of-living escalations of Canada Pension Plan benefits.

### Income supplement

Thirdly, we are advancing an income-supplementation strategy. We recognize that the earnings of people who are working may not always be sufficient to meet family income needs.

This may be because of the size of the family — wage levels not being related to the numbers of children — or it may be because of the nature of the breadwinner's employment — it may be low-paying self employment or intermittent work. To meet these problems of the "working poor", as they are often called, we are advancing two propositions.

First, we are proposing a significant increase in the universal family and youth allowance benefit, from an average of \$7.21 per child per month. To effect a significant measure of income redistribution, we propose to make the new family allowance taxable — although I should point out that practically all Canadian families should realize a net increase over their present levels.

In the budget of February 19 we provided for an appreciable reduction of income and other taxes in order to increase the net disposable incomes of Canadian taxpayers. By this additional measure we are effecting a sub-

## Federal-provincial welfare conference supports higher "baby bonuses"

General agreement was reached on the first day of the federal-provincial welfare conference on the raising of family allowances. The Minister of National Health and Welfare announced that support for the plan was so strong that he expected to introduce legislation for the higher payments before the beginning of summer.