

1954. The guaranteed income supplement for aged people was created in 1966, while the Canada and Quebec pension plans date back to 1965.

While drawing this list, Mr. Speaker, I could not help but note that most of these legislative measures had been the work of Liberal governments, over the past 50 years.

**Some hon. Members:** Hear, hear!

**Mr. Lalonde:** The people who contribute to the pension plans are entitled to pensions as soon as they retire or become incapacitated, and payment of benefits to their survivors is provided. Elderly people who find it difficult to live on their personal savings and their pension benefits receive a minimum annual guaranteed income by way of the old age pension and the supplement. Furthermore, the provinces grant welfare benefits to those who are unable to make both ends meet because of insufficient income.

Each of these programs has been set up to correspond to specific needs, but they have never been entirely coordinated. Benefits paid to old people, for instance, are fixed, in a general way, by the Parliament of Canada, and are thus different from those set up by the provinces under the welfare plan for those who are blind or handicapped and for mothers with dependent children. These differences result from the fact that each program comes under a different jurisdiction and that the programs themselves were adopted at one time or another in view of purposes which were different and even sometimes conflicting.

Therefore, during this session we intend to strive to overcome these obstacles. The federal government feels that federal and provincial authorities should identify as explicitly as possible the groups of people who now are or should be considered unable to work, and set up a guaranteed plan to be implemented gradually over a given period, which would apply in the most rational way possible to all these groups.

**Some hon. Members:** Hear, hear!

• (1600)

[*English*]

**Mr. Lalonde:** The second principle is this; the social security system as it applies to people who can work must contain incentives to work and a greater emphasis on the need to get people who are on social aid back to work. Let me say here immediately, Mr. Speaker, that saying this is not advocating a return to poor laws. This is plain commonsense and good judgment. The first and most important requirement must be the opportunity for people to obtain work. However difficult the achievement of this goal may appear, this government, through the expansion of job opportunities in both the private and public sectors, is as committed as anyone else on the opposition benches to the creation of an environment in which jobs will be available for Canadians who are ready and able to work.

An important incentive is the assurance that a person will not be better off on social assistance than if he takes a job. This involves two separate problems. First, wages generally take no account of a worker's family responsibilities, whereas social assistance must be high enough to provide for all one's dependents. It was to help meet

*The Address—Mr. Lalonde*

this problem that the family income security plan was originally proposed. Some means must be found to make sure a worker with a family is not penalized by going back to work. The second problem lies in the way assistance payments are calculated; apart from a small amount of exempt earnings, assistance payments are typically cut back by a dollar for every dollar earned. You are thus no farther ahead by taking on a part-time job. Assistance plans should be designed so as to encourage those who can work to take jobs and still receive whatever supplementary assistance is necessary.

It will not be easy to devise incentives that will provide assistance to those who need it, including the working poor; those who work full-time at low levels of earnings, and those who can only work part time, and yet assure the public that those who can support themselves do so. But there is clearly room for improvement in existing mechanisms. In recent months this government has made amendments in the administration of the unemployment insurance program to ensure that those who are getting the support which this program affords are in fact entitled to that support.

Our social assistance programs need similar attention. In this area almost all governments have indicated the need for special measures to help those temporarily on assistance to find jobs, and have recognized that there are obstacles to self-support which must be removed. The task of removing them is not a simple one, but the attention which this particular problem has received in recent years, by my predecessor in this portfolio, and by his provincial colleagues, provides a sound basis for a renewed effort to overcome the various obstacles. I have every hope this problem can now be successfully tackled in a joint federal-provincial forum.

The third principle which would, in our view, guide us in our review of social security problems is this: a fair and just relationship must be maintained between the incomes of people who are working at or near the minimum wage, the guaranteed incomes assured to people who cannot work, and the allowances paid to those who can work but are unemployed. This principle encompasses a basic problem that must be faced in the rationalization of the income security system. We want to develop a reasonable balance between income support available to the aged poor and to the non-aged poor. We also wish to structure benefits for people who can work, in a way that fully recognizes the levels of incomes normally earned through employment. Also, we need to ensure adequate recognition in all cases of the additional needs where there are dependents. Because there is no automatic relationship between what people are able to earn and what they need in order to maintain their families outside of poverty, we will need to supplement low incomes. Supplementation must be structured so as to preserve incentives to work, and also so as to recognize that larger family responsibilities involve larger income requirements. It was this last concern in particular that motivated the development of the family income security plan; and we intend to pursue this concern with legislation in this session. The proposals will be designed not only to meet this pressing need, but also to ensure that the plan can become an integral, consistent part of the total income security system which will result from our broader review.