

The following table illustrates the approximate amounts of benefit payable at different income levels:

Income Level	Monthly Benefit
Up to \$4,500	\$16
\$ 4,501 - \$ 5,000	15
5,001 - 5,500	14
5,501 - 6,000	13
6,001 - 6,500	12
6,501 - 7,000	11
7,001 - 7,500	10
7,501 - 8,000	9
8,001 - 8,500	8
8,501 - 9,000	7
9,001 - 9,500	6
9,501 - 10,000	5
10,001 and over	0

(2) *Guaranteed Income Supplement and Old Age Security*

Substantial increases of great benefit to low-income older people will result from changes in payment under the guaranteed income supplement to their Old Age Security pension. In 1971 this program will apply fully or partially to about 1 million people.

- (a) Effective January 1971, the basic Old Age Security pension will be set at a flat rate of \$80 a month.
- (b) From April 1971, increases in the Guaranteed Income Supplement will ensure that no qualified married couple has less than \$255 a month, and that no qualified single person has less than \$135 from all sources.
- (c) Old Age Security recipients who qualify for GIS will be entitled to a maximum 2 per cent annual escalation on the combined total to reflect price increases. OAS will be escalated only when accompanied by the supplement.

By increasing the supplement from \$31.83 a person to \$95 for married couples and \$55 for single people, substantial additional purchasing power will be placed in the hands of people who have few opportunities to acquire extra income. Together with the OAS pension of \$79.58, supplementation now produces a maximum of \$111.41 for individuals and \$222.82 for couples.

The new program, for the first time, attaches weight to the higher unit cost of living faced by the individual, compared to a couple living together.

(3) *Canada Pension Plan*

Changes could not be effective before January 1973, to permit consultation with the provinces and to fulfil the statutory requirement that three years' notice of major changes be provided. There is a continuing need to maintain comparability between the Canada and Quebec Pension Plans so that this insurance system remains Canada-wide.

A series of technical amendments will combine to permit increased benefits as follows: (benefits under an unchanged plan in the year to which reference is made are in brackets):

- Retired - A maximum of \$162 a month by 1977 (\$131 in 1976) in addition to the OAS pension.
- Disabled - A maximum of \$199 a month in 1973 (\$114), rising to \$249 in 1977.
- Wives of Disabled - A new benefit providing a flat-rate pension of \$80 a month for the wives of disabled contributors who are under 65 and who have dependent children.
- Widows - A maximum of \$170 a month in 1973 (\$71) rising to \$208 in 1977 for widows, regardless of age.
- Special Adjust-ment - Persons already receiving widows' or disabled pensions under the existing plan in 1972 will have their payments readjusted in 1973 to reflect higher benefits....

(4) *Social Assistance*

This important income security field is under the jurisdiction of the provincial governments. While the effect of the preceding proposals will be to reduce the dependency of many people on welfare, there can be no doubt that social assistance programs will be required for many more years. Accordingly, the Federal Government wishes to do all it can to ensure that the existing social assistance systems will, in future, be undeserving of the criticisms now prevalent. The vehicle for federal delivery in this field is the Canada Assistance Plan, under which the Federal Government pays 50 per cent of assistance costs.

At the earliest opportunity, the Federal Government wishes to enter discussions with provincial governments to secure improvements in social assistance programs.

(5) *Unemployment Insurance*

The Government White Paper on Unemployment Insurance of last June put forward major changes in the program, extending coverage to additional workers, adding sickness and maternity benefits and improving unemployment benefits substantially. The result will greatly improve income protection for people in the labour force and, therefore, should result in reduced dependence on social assistance.

COST AND FINANCE

By reallocation existing resources to the people in greatest need, the Government is able to propose major changes in income security which should improve the levels of several million Canadians without involving a substantial increase in taxation.

The Old Age Security Fund will bear the \$194 million additional cost in the first year for the OAS-GIS proposals.