

Family Income Security Plan

demands, both within and outside the security system, for funds of this magnitude. Improvements and social assistance, social insurance and the guaranteed income provisions for the aged are a few examples. For the program to be improved at this time, an alternative is to convert it from a universal to a selective measure, directing more of the current expenditures away from the well-to-do toward the lower income families. This may not be well received by many who will lose some or all of the allowances they receive, but it will do a great deal for those who have greater and more pressing needs.

Any restriction in the family allowances program must, therefore, serve a two-fold purpose. It must assist families in poverty whose resources cannot adequately cover the needs of their children. It must also compensate families in the lower middle income range with the economic burden of raising children so that they can take their place in the society of the future. Achievement of both these goals must remain a key element in Canadian family policy. I refer to the opening statement of the white paper. As Canadians strive for a better social and physical environment, one of their goals is to ensure that everyone has an adequate income on which to live. The white paper provided a focus for eventual consensus on income security for Canadians. For instance, how best can the federal government play its role in relation to income security within a context of a federal study? Adequate income bears partly on the actions of the government and partly on factors beyond a person's capacity to control.

The role of government, and I am referring to the white paper statement, is to develop social and economic policies that will influence those factors beyond individual control in a way that will help people to reach this goal. Income security protects people by giving them additional money when their own resources are not enough to meet the needs regarded by society as being basic. It also replaces the income of people who have lost their earning capacity for such reasons as unemployment, maternity, sickness, disability or death of the family income earner. As one component of over-all social security policy, income security programs are strengthened by the other parts, health insurance and special services for social assistance recipients. These are two outstanding examples.

Although any new initiatives are necessarily limited by what is economically feasible, the economy must be enlisted in support of social objectives. The primary goal is human development. This opening statement of the government's position on income security was a starting point and was subject to the various modifying influences implicit in the white paper dialogue. It could not stand alone nor was it intended to stand alone.

The next step was up to the people of Canada, to citizens and their spokesmen in various other governments and organizations. The people of Canada participated in the dialogue and as a result FISP, the family income security proposals, provides a departure point for the future in the development of the guaranteed income approach for people in the labour force.

In the development of the Family Income Security Plan, a vigorous effort has been continuously made to keep the provinces informed of the proposals, to seek their views

[Mr. Munro.]

and request their suggestions. Several provincial governments were critics of the existing family allowances program. Visits were made to all provinces by myself and my officials to outline and discuss the nature and scope of the federal proposals with provincial ministers and their officials. A federal-provincial conference of welfare ministers was held at which the proposals were further reviewed and the views of the provinces obtained. A number of important changes were made. Again, I and my officials visited the provinces to discuss the modifications. Some further adjustments in the proposals resulted. Another meeting of the welfare ministers took place. Following the announcement of the plan in this House, additional talks were held with those provinces which wished further discussion.

I would like to talk about FISP in relation to income security in general in Canada. The FISP bill is the third step to improve the over-all income security program in Canada. The first step was the guaranteed income supplement for old age pensioners. The second step was the improvement made in the unemployment insurance program. The third step was a selective income security plan for families in the lower income brackets, namely the bill now before us. Under the bill, benefit payments doubled over existing family and youth allowances programs. Children under 12 will get \$15 a month instead of \$6 or \$8. Children 12 to 17 will get \$20 a month instead of \$8 or \$10. This is a program intended to provide income support. Income support alleviates poverty and reduces dependency among those people who have very limited means of support from other sources.

Typical of income support plans are the social assistance programs and guaranteed income plans. The income security system in Canada operates on three levels. First, there is income protection through various social insurance and universal payment programs to people who meet certain eligibility requirements, without regard to their current incomes from other sources. Some examples of this are unemployment insurance, Canada and Quebec pension plans, veterans pensions, workmen's compensation, old age security and family allowances.

The second level is income support to people whose incomes from other sources fall below specified amounts. This in essence is the guaranteed income approach. This would be represented by current programs such as the guaranteed income supplement for aged persons and the new FISP bill which is now before us. The third level, of course, is social assistance for people whose needs are not adequately met through their own efforts or through the programs operating on the other two levels I have just described. The universal payment plans such as family allowances and old age security allowances serve both as income support and income protection. Both are very costly in the effort to reduce poverty. Old age security pensions at \$80 a month are continued because this is such an important element in the retirement plans of most Canadians; it provides the foundation upon which Canada Pension Plan and private retirement arrangements are based. But we have placed most emphasis on the guaranteed income supplement and raised it substantially. Of course, it takes other income into account.