

The Address—Mr. Pearson

ada assistance plan payments can be based on an assessment of the recipient's needs.

This important change, Mr. Speaker, will be of special benefit to those older people who have had no opportunity to benefit from the Canada pension plan. In cases of need, additional assistance will be available. This applies not only to those aged 65 to 69 but also to the people over 70, who in many provinces have not had access to assistance up to now.

In addition to this major change in the scope of assistance for elderly people, the proposals provide for three major extensions of the federal sharing of assistance costs. These are: assistance to needy mothers; health care services for assistance recipients; and the costs of sharing in the strengthening and expansion of welfare services for assistance recipients.

First of all, a needy mother: It is estimated that the proposed plan will cover close to 200,000 needy mothers and their dependant children who are excluded from the sharing provisions of the Unemployment Assistance Act. The cost of this to the federal government will be more than \$25 million a year.

Second, in accordance with the principle that assistance should be adapted to the needs of the individual, the Canada assistance plan will provide that the federal government will pay half the cost of health care needed by people receiving assistance. This, Mr. Speaker, is obviously essential to a truly comprehensive assistance program. It would be illogical to help to meet people's needs for food, clothing and shelter but to exclude health care for people for whom it is equally essential and who cannot afford it on an assistance budget. To what extent, and how, health costs are covered will depend, of course, on provincial programs, but it is estimated that federal sharing will cost us something between \$15 million and \$20 million a year.

I should make it clear that the assistance proposals do not include federal sharing in the costs of hospital care, because this is already shared under the hospital insurance program. Similarly—and I think that on this point it is important to avoid misunderstanding—the plan will provide for discontinuing the federal share in other health costs, as such costs come to be covered by future federal-provincial medicare programs. I emphasize this point in order to make it clear that this government does not regard assistance with the medical costs of the needy as in any way a substitute for the development of comprehensive medicare programs.

[Mr. Pearson.]

This, Mr. Speaker, is an interim measure, a step which is needed, as part of our assistance policy, where and as long as medicare is not available, but which will fortunately become unnecessary as we develop comprehensive health services.

The third new element in the assistance plan is the support it will provide to the provinces for strengthening public assistance administration and for improving and extending social welfare services for public assistance recipients. This will help provincial and municipal welfare departments to recruit additional trained staff and to provide for more effective service to assistance recipients. In this way, we intend that assistance should be much more effectively linked to other programs, including vocational training, rehabilitation and job placement. The aim is to enable assistance recipients to move on to achieve the greatest possible measure of self-support. This is one of the sound and constructive weapons to be used in combating both rural and urban poverty.

● (5:50 p.m.)

The effect of these proposals, to summarize them, is that the provinces will be receiving new federal contributions to mothers allowances and health care services. Over the next few years they will also realize large savings in assistance costs as old age security becomes available from age 65. These changes will be of substantial help in making it possible for provinces to provide more adequate levels of assistance to persons in need and also to strengthen social welfare services with the advantage of federal sharing of the costs. We hope, Mr. Speaker, that during the discussions of these proposals we will be having with the provinces this week it will be possible to arrive at mutually acceptable standards to be applied in developing adequate levels of assistance.

The Canada pension plan provides retirement pensions, disability pensions and benefits for widows and orphans. The effect of the Canada assistance plan is that assistance will be available in all of these same cases—as a supplement where it is needed, or as an alternative for people who have not been covered by the pension plan. In this way, Mr. Speaker, social insurance and social assistance measures are being co-ordinated. This aspect of the plan will be particularly important in the next few years. When the Canada pension plan has passed its transition period, its contributory benefits will become the main source of protection, and the role of assistance will steadily decline in importance. That,