

Social and Economic Security

cent—one study established the figure was 87 per cent—are totally outside the work force, incapable of ever entering the work force. They are the sick, the disabled, deserted or divorced wives with children to support, with children to raise, and so on—people who through physical or mental incapacity could not in any case enter the work force. Is it suggested that with respect to this component of those on welfare we should replace welfare payments by a guaranteed annual income?

Perhaps that would not be a bad idea. We don't have to worry about incentives there, about what effect it would have on the desire of people to be involved in constructive work. But what levels are they talking about? Do they suggest we should pay these people a guaranteed annual income at the poverty line? If they do, I should like to hear it. This is one area in which in all conscience we should be ready to move as soon as possible. But I have not heard many specifics from the other side; from the opposition I have heard mostly rhetoric.

Mr. Forrestall: Give us access to your information.

Mr. Munro: I have read in the Croll report that if it be considered too costly to move to a guaranteed annual income immediately then it suggests we should pay 70 per cent of the poverty line. Many of us have heard that suggestion. But if we pay 70 per cent of the poverty line to hundreds of thousands who are completely out of the work force and who cannot re-enter it, what do we accomplish? All we have done is replace one welfare scheme for another. We have institutionalized poverty and, in fact, disconnected these people from certain services which are valuable to them.

Very few people talk about how a link-up will be accomplished. Some say that when people who are now on welfare wish to work, we should find work for them to do. I agree with that and I believe we are moving in that direction. The time has come when we are prepared to admit that the private sector, in days of advancing technology, cannot hold out much prospect of making jobs available for all Canadians who want them. This being the case, the public sector will have to move in increasingly to create job opportunities in the public service and through the help of voluntary associations.

Some of the programs we have adopted acknowledge this proposition, although I have not heard them extolled with any degree of enthusiasm by hon. members opposite. However, I would draw attention to the Opportunities for Youth program through which the government intervened directly this summer to provide job opportunities for our youth. Moreover, there are the policies recently announced by the Minister of Finance (Mr. Benson), under which local initiative has assisted in providing job opportunities, the subsidies offered to industry for training workers, creating jobs which will be of tangible benefit not only to those directly concerned but to the country as a whole. So we are moving to provide job opportunities for some of the individuals who are now on welfare and perhaps we shall move further in that direction.

But while we talk about a guaranteed annual income for those who are permanently out of the work force, I certainly hope we are also thinking about a guaranteed annual income for those who are already engaged in the work force at lower rates of remuneration. Otherwise we

are building in serious disincentives. Suppose a married man who is not working is paid a guaranteed annual income of \$4,000 a year. Is somebody who works and earns \$4,000 to be given nothing? What is the incentive there? They have to receive something. Our cost projections indicate that here alone we are talking literally about hundreds of millions of dollars. So when we talk about these programs and about those which should be discontinued, taking account of the offset through the discontinuance of certain benefits, we are contemplating new expenditures which would amount to perhaps \$2 billion a year.

This brings us to the next question. Where is the money coming from in the short term? We are being asked to move in with additional resources in this particular area while being confronted with legitimate demands to create job opportunities through a number of different programs. I do not think it is possible to do both these things at one time and do either well.

I should like to review briefly the record of the government in this field. I do not think the government has anything about which to be apologetic. I believe our Canada Assistance Plan, the plan we agreed upon with the provinces in 1966, is providing valuable assistance to those in need, albeit at levels which are often inadequate. We are moving into new areas by asking the provinces to take advantage of other aspects of the assistance plan, costs of which can be shared between the federal government and the provinces. I think that is progressive legislation.

• (8:30 p.m.)

Recent legislation to provide an adequate income to senior citizens through a marked increase, the second biggest increase in Canada, under the guaranteed income supplement is a step that is of tangible benefit to roughly one million Canadians. The Canada Pension Plan, which was brought in with the help of some members of the opposition but under the authorship of the government, has been and will continue to be of real benefit to hundreds of thousands of Canadians. I think the new benefit structure under unemployment insurance brought in by my colleague, the Minister of Labour (Mr. Mackasey), will be of real assistance to people in our work force who may be temporarily unemployed for a short time. Policies of this kind, together with the one we are now advocating in terms of FISP, doubling and in some cases almost tripling the benefit structure for families in the lower income groups, will provide the supplemental income necessary in many cases to put the poor above the poverty line and to give them some sense of adequacy and decency.

With our record of concern and accomplishment in the field of income security, and if the House acts on some of the recommendations that we have made, we will be able to make tangible, worth-while and constructive proposals that will lead to the alleviation of poverty.

Mr. Lundrigan: Mr. Speaker, may I put a brief question to the minister? I have listened for the last 20 minutes to his apologizing for the government's stand on the guaranteed annual income. But why is the minister prepared to offer the provinces \$15 million of the Canadian taxpayers' money in an effort to assess the value of a guaranteed