

security pension is now adjusted automatically in accordance with a pension index and the minimum eligible age has been lowered from age 70 in 1965 to age 65 by next January 1. Guaranteed income supplements give additional income support to low income recipients of the basic old age security benefits. By way of illustration of the funds involved, it can be noted that outlays under the old age security, including the Guaranteed Income Supplement Act, totalled \$927 million in 1965-66 and are projected to total over \$1.7 billion in 1969-70. This is one place the funds we are spending are going.

Through the Canada Assistance Plan, the federal government helps the provinces extend public assistance to all needy persons on the basis of their individual needs. These needs are determined by an evaluation of budgetary requirements as well as income and resources. The program permits the extension of federal sharing into a number of areas not previously covered under federal-provincial shared-cost arrangements, and provides for federal sharing of certain increased provincial costs caused by the extension of welfare services. It specifically allows for sharing of the costs of extending provincial welfare services to Indians on reserves.

Let us move from there to health measures. The two main programs here are hospital insurance and medical care insurance. The first program permits the federal government to assist the provinces in paying for public hospital insurance programs which extend coverage for specified hospital care and diagnostic services to some 99 per cent of the population of Canada. The federal government pays 50 per cent of the shareable cost for all Canada in such a way that low income provinces get more than 50 per cent of their cost from the federal government.

The medical care program permits the federal government to assist in the financing of provincially administered medical insurance plans which include all physicians services, provide universal coverage, and are portable between participating provinces. The federal contribution to each province is also calculated in a way that favours the lower income regions of our country.

Now, let us move on to education matters which really are a provincial responsibility. The post secondary education fiscal transfer program assists the provinces in meeting the costs of post secondary education, including university, other higher education and training and grade 13 in the province of Ontario,

Use of Bank of Canada to Ease Tax Burden

through a transfer of fiscal resources related to eligible post secondary operating expenditures in each province. In 1968-69, the estimated value of the total transfer of fiscal resources is \$502 million, of which \$224 million is in the form of cash payments to the provinces.

To assist Canadians in meeting the challenges of a rapidly changing and developing economy, and to increase the productivity and economic well-being of the labour force, the federal government, under the occupational training of adults program, assumes the full costs of training eligible adults and also pays training allowances to adult trainees. In 1968-69, \$114 million has been provided for training allowances and \$81 million for the purchase of courses from the provinces. The federal government provides grants to individuals to assist them in finding new employment if there is no prospect of employment in an individual's home community. Grants are also provided to help meet the costs of moving and resettlement. Six million dollars has been provided in the 1968-69 estimates for this program.

• (9:30 p.m.)

Perhaps I should say a word about regional development. The new Department of Regional Economic Expansion will be contributing a great deal toward the alleviation of poverty in those parts of the country in which the level and rate of economic development are below an acceptable standard. Already the federal government has made contributions in these areas through ARDA, the agricultural and Rural Development Act; ADA, the Area Development Agency; A.D.B., the Atlantic Development Board, and other similar programs and agencies.

For example, under the Fund for Rural Economic Development, a program to assist in the implementation of social and economic development programs in specially selected rural areas where low incomes are widespread and where there is potential for development, the federal government has entered into an agreement with the Province of Quebec covering the Gaspé peninsula and Magdalen Islands. The agreement provides for a five year program of rural re-adaptation and development which is expected to cost in excess of \$250 million, with the federal share estimated at \$212 million.

Our social and economic development programs for Indians and Eskimos have as their objective the improvement of the levels of living and the widening of opportunities for