

It is the opinion of the Committee that this particular plan offers a basis for immediate action which will provide a reasonable level of benefit to the majority of poor Canadians at a cost which is acceptable. The Senate Committee is convinced that no reasonable Canadian would deny his fellow-citizens the right to these minimum-level allowances. Improvement in coverage, adequacy of allowance levels, and allowance reduction rate can be introduced as experience is gained with the initial plan and as national economic growth permits. The plan is dynamic in that it will automatically adjust to changes in the national average level of income or standard of living.

#### CHANGES IN FEDERAL LEGISLATION

The introduction of the proposed G.A.I. will require substantial changes in existing legislation. There are an estimated 200 federal acts which in one way or another provide transfer payments to individual Canadians. It will be necessary to examine each such piece of legislation to ensure that its provisions are integrated into the G.A.I. plan as appropriate.

The Committee has not undertaken this examination in any comprehensive way. It has restricted its considerations to those major changes which will be required under the G.A.I. plan. The most important of these are summarized below.

1. *Federal Income Maintenance legislation*, as it exists at present, would be repealed. The G.A.I. would effectively replace Family and Youth Allowances, Old Age Security, the Guaranteed Income Supplement, and most of the other transfer payments programs now operated by the Federal Government. Universal demogrant programs, such as Family Allowances and Old Age Security, would be integrated under the G.A.I. program. The cessation of these demogrant payments to recipients who have adequate incomes will result in substantial savings which can be directly applied to the cost of selective, more adequate payments under the G.A.I. Special provision will be made to ensure that no one will receive less under G.A.I. than he or she now receives under such programs as Old Age Security and the Guaranteed Income Supplement. It should be noted that G.A.I. allowance levels, because they are tied to an index of national standard of living, will be adjusted automatically. As a result, the G.A.I. allowances will quickly overtake O.A.S./G.I.S. levels, and continue to increase at a rate more realistic than the 2 per cent maximum annual increase now permitted.

2. *Social Insurance Programs*. Programs which operate on an actuarial basis as insurance against risk (such as Unemployment Insurance, and the Canada Pension Plan, under federal legislation; and the Workmen's Compensation program, under provincial legislation) would be retained. These programs should be revised to conform more strictly to actuarial soundness than they do now. Where they have been expanded or altered to provide benefits in excess of those warranted by premium payments, or to those who