

*Guaranteed Minimum Income*

part of those who would stand to lose if the current program were abandoned. Families with an income over a certain level would no longer get these allowances nor would they be entitled to the maintenance income provided under the guaranteed minimum income scheme.

Replacing the unemployment insurance program would create a certain number of problems. Owing to some commitments too costly for their standard of living, unemployed people with an annual income above the prescribed limit on minimum income may have an urgent need for a short-term maintenance income, even though these people are usually above the poverty level.

The abolition of unemployment insurance would suddenly deprive some workers with an average income of a type of protection which they now get and to which they have contributed for a period of years. In order to overcome the difficulty, the unemployment insurance plan should not be replaced but be made part of the entire guaranteed income scheme. The minimum guaranteed income should be available to those who are at or below the basic income level, but those who are in the higher income brackets and who are unemployed should receive a proportional supplement.

The substitution of the annual guaranteed income system for the old age security scheme would cause serious problems to those who have an income higher than the basic level of maintenance income. Most of the people who receive life annuities from a private enterprise made it part of old age security. Many retired persons or some who are on the verge of retirement are convinced that an old age pension will be paid to them as soon as they reached retirement age. It is distressing to think that 40 per cent of older persons might be in such a situation and would not get a pension, because their income exceeded the standards of basic income, more especially since several have been paying a special tax for old age pension since 1952.

One could dwell at length on the implicit contents of the resolution. I cannot agree, because the motion on the whole does not apparently take into account the fact that the central government cannot act alone in determining a guaranteed annual income without consulting the provinces beforehand. It is an important constitutional problem which the motion overlooks. Social assistance, in whatever form it is implemented, is an extremely complex problem which must be studied thor-

oughly. It is not good enough to promote the idea and then say that everything will turn out well.

The replacement or the integration of the Canada Pension Plan or the Quebec Pension Plan would surely cause difficulties in respect of contractual commitments to contributors in every province. As in the case of unemployment insurance, the purpose of the Canada Pension Plan or the Quebec Pension Plan is to provide additional income to people in all income brackets who would not bother to provide against a rainy day.

It would be very difficult to replace that goal by a formula which would bring a maintenance income only to lower income groups.

The motion also suggests that the present social welfare plan be abolished and that the funds be made available for a federal guaranteed minimum income scheme. On the one hand, this proposal does not mention that 50 per cent of contributions to these plans come from provincial and municipal governments, which could well decide to use these amounts for other purposes if a federal guaranteed income plan were created. On the other hand, it does not take into consideration the likelihood that social assistance programs based on needs of citizens must be maintained, even if a federal guaranteed income plan were to be implemented.

I presume that the federal government would not be able to distinguish between the citizens in urban areas and those in rural areas, where the cost of living is high or not. I also suppose that we would have to guarantee a certain level of income according to the number of members in a family, regardless of the area, the city or the place where these people want to live.

I believe this would be a very costly proposition. As a matter of fact, a great deal of money would be needed to guarantee a minimum income to everybody, to enable them to live in an adequate and dignified manner in metropolitan areas like Montreal or Toronto. This minimum income would have to be fixed in terms of the needs of people of average income.

If this assumption is correct, the income level that we could guarantee to people in Toronto and Montreal would undoubtedly be inadequate to support families. Therefore, some families would need additional assistance which could not be granted to them under a standard system of minimum payments established for all Canadian people.