

programs which are intended to keep people from falling into a state of poverty. Under income support measures, the federal government supports the incomes of those who have children, through family and youth allowances, of those who are past a certain age, through old age security measures, and of those whose income is insufficient to maintain themselves and their dependants through the guaranteed income supplement, social assistance and the Canada Assistance Plan. Beyond the income support programs presently in operation are guaranteed annual income plans under which everyone would be entitled to a minimum income, the level of which would be determined by the size of the family's income and the number in the family. Such a plan is usually thought of as a replacement for existing income support programs, with special needs being met by supplementary social measures.

An assessment of these several income support programs, whether those now in operation or those raised as alternatives for the future, reveal that the Liberal government's income support measures and its vision of the future in this field are both severely limited and inadequate to meet the often desperate needs of those living in a condition of poverty. The old age security and guaranteed income supplement benefits, even with the increases provided this year, still fall short of the minimum required for a satisfactory standard of living for the aged. Indications are that few older people will be removed from poverty as a result of this increase.

There is a question of why the universal program—old age security—is not substantially beefed-up so that the need for the selective program—guaranteed income supplement—would be a necessity for a relatively small group, for example, 10 per cent. Currently, about 50 per cent of the people on old age security are receiving the guaranteed income supplement and more than half this group get the full supplement. The flat rate of \$80 for old age security with an escalation of 2 per cent maximum for the guaranteed income supplement is unfair when the cost of living is rising at 4 per cent to 5 per cent annually.

• (5:10 p.m.)

If the past performance of the economy were repeated in the future, this would mean that in 25 years the \$80 would buy something less than \$40 worth of goods and services, and at the end of 50 years it would not buy anything. Yet pensioners are at the mercy of the system and cannot bargain for wage increases like everyone else. This action by the government is even more unfair when we realize that old age pensions were directly paid for, in part, by the pensioners themselves and calculated as part of their necessary retirement funds.

Furthermore, old age pensioners are encouraged by provisions in the pension plans not to engage in any part-time job to supplement their meagre incomes. Such a penalty on work incentive is not consistent with the allegations in the white paper on income security that the major reason for not adopting the guaranteed annual income centres on the need to develop a suitable work incentive for such a plan.

The Budget—Mr. Marshall

There are many other inadequacies of the federal income support programs for the aged: I have highlighted only a few. The Canada Assistance Plan, enacted in 1966, is a comprehensive public assistance measure which provides, under agreements with the provinces, federal contributions of 50 per cent of the costs of assistance to persons in need generally and selected costs of extending and improving welfare services. As an anti-poverty measure, two objectives of the Canada Assistance Plan are to assist the provinces in providing adequate levels of assistance to persons in need, and to encourage the development and extension of welfare services designed to help prevent and remove the causes of poverty and dependency on public assistance.

Perhaps the most serious problem in the current operations of provincial plans supported by the Canada Assistance Plan is the difference in support levels for recipients across the country. Statistics from the Department of National Health and Welfare show that assistance payments funded through the Canada Assistance Plan range widely between the provinces from a low of \$2,256 annually to a family of four in New Brunswick, to a high of \$4,020 per year to a family of four in Alberta. Such inequality prompted Senator Croll in his interim report of the Special Senate Committee on Poverty to say:

There is unfair financial burden upon the poor provinces... In the final analysis the beneficiaries of the Canada Assistance Act are the treasuries of rich provinces. The poor provinces can give their people very little. There is unfairness about it.

The scarcity of financial resources, as a result of the fact that 50 per cent of costs must be found within each province, means that the poorer provinces find they cannot afford to provide a desirable standard of assistance and services to eligible persons. Furthermore, evidence shows that provincial differences are quite substantial, not only in terms of dollar amounts given to families in like circumstances but also in terms of the particular characteristics of each scheme—for example, who qualifies, how earned income is treated for persons receiving social assistance, what appeal procedures are available, and so on. The problem surrounding appeal procedures is a serious one which I do not have time to dwell on.

The Canada Assistance Plan has had virtually no impact upon the working poor, those unable to earn a minimum adequate living although fully employed. Those who have only partial earning capacity suffer because of the low level of earned income exemptions provided by provincial assistance programs. Another problem of the recent operations of the Canada Assistance Plan is the need for closer integration with other programs both federal and provincial.

The Liberal government has taken no concrete steps toward the improvement of the operations of the Canada Assistance Plan, yet it has recently taken steps toward changes that will undoubtedly irritate present difficulties with this program. I am referring now, of course, to the federal government's proposal to the provincial welfare ministers that the Canada Assistance Plan be amended so that the federal government would provide compensation for programs that employ an income test,