

*Social and Economic Security*

benefits for people who are experiencing a multitude of unfortunate occurrences such as premature death of the breadwinner. It provides benefits for the widow and the children. I do not think anyone would suggest that this plan should be discontinued.

The principal protection under the Canada Pension Plan for the contributor is his retirement benefit and that of his wife. He has earned those benefits through his contributions. It provides an opportunity for him to maintain a standard of life analogous to that of his working days. It is supplemental to the guaranteed income supplement and old age security. I have not heard any members opposite suggest that this program be discontinued, nor will I make this suggestion. It, too, is preventative.

On the happening of these occurrences, whether it be attaining retirement or on the death of the breadwinner, there is an income that is guaranteed. That income has been earned. It often prevents the beneficiary from falling into the poverty trap. With both unemployment insurance and the Canada Pension Plan we have a net that prevents these people, on the occurrence of any of these unfortunate happenings, immediately falling into welfare and poverty. They may have some savings, although they may not be great. On the occurrence of any of these unfortunate events it is not necessary for them to use all their savings and then fall into the poverty cycle.

What are some of the other programs these people talk about in our "fragmented" approach to income security? I touched on unemployment insurance and the Canada Pension Plan. No one is standing up and cheering about discontinuing those plans. Let us talk about old age security. It is a universal program, a demogrant program.

**Mr. McKinley:** You are cutting off the people who save their money.

**Mr. Knowles (Norfolk-Haldimand):** It is our right.

**The Acting Speaker (Mr. Boulanger):** Order, please. The Chair would like to hear the hon. member who is speaking.

**Mr. Munro:** I see a great deal of validity in the comments, "It is a right, "They should have it, "They paid for it through their taxes." Many of the things this country affords people to a greater or lesser degree are done through taxes. I do not see any hilarity about discontinuing the universal part of the old age security payment that goes to all Canadians and, incidentally, costs hundreds of millions of dollars.

We have social insurance programs that we are going to keep, such as unemployment insurance, the Canada Pension Plan and, with a high degree of unanimity, agree we are going to keep the old age security. What other program does the opposition suggest we should discontinue? Is it family allowance? The family allowance program is universal; it goes to all families in this country, irrespective of their income, in the same way as old age security. Families of millionaires receive family allowances just as any senior citizen receives the old age security. Perhaps there are some who would discontinue this program in terms of its universal connotation.

Will these people support the government now in what we are suggesting? We are suggesting that the family

[Mr. Munro.]

allowance become selective, income-tested and go to those in need. We have to discontinue some of these programs if we are to reallocate our resources in order to get more of our money through the public sector to those who really need it. We have suggested that FISP be made selective, income-tested and redirected to families in real need. We are also suggesting that it goes a long way to build in incentives in our society.

I do not agree with some of the excessive statements that are made, but we have all heard it said that far too many people are receiving welfare who do not deserve it and should not be getting it. In fact, I have heard people say that the benefit levels for welfare are so high that there is no longer any incentive to work. I find those statements incredible in most circumstances; however, that is what we hear. The family income security plan offers incremental income to the working poor. There is an incentive to keep working. A person will receive incremental income to maintain himself and his family in better fashion.

I hope it is apparent that in terms of moving to a guaranteed income approach the government is prepared to take certain tangible action. We have taken it in the guaranteed income supplement for the aged. That is now an income-tested program. It has allowed us to most advantageously use our resources for over one million Canadians who need it. They prove they need it by filing applications stating why they need more than \$80. This has allowed us to set income floors at realistic levels, certainly far more realistic than was the case a few years ago. We can now start to pay \$260 to a couple and \$137 to a single person. Inadequate as that may be, a few years ago we were at the level of around \$80.

I repeat that one million Canadians are now receiving all or part of the guaranteed income supplement. That is the philosophy of this party: we are going to tailor some of these programs and shift them over to an income-tested approach. We are going to start to move toward a guaranteed annual income in this way. However, we are not going to be deceitful to the degree where we will say, "Let's discontinue or rationalize all these programs and get into one over-all program" and, when faced with the necessity of making a decision as to whether some of them should be discontinued, not have anything to offer except silence.

• (8:20 p.m.)

We have stated clearly that these social insurance schemes should be continued and we have indicated the manner in which we believe the resources going into university programs should be changed so as to reallocate those resources to areas of greatest need.

I move, now, to consider another program and I suggest this is really the program some people are talking about when they talk in terms of a guaranteed annual income. I refer to the traditional relief arrangements. "Let us not pay them welfare any more," they say, "let us pay them a guaranteed annual income."

**Mr. Forrestall:** Get them jobs.

**Mr. Munro:** First, let us talk about the people on relief or welfare. I think a high percentage of these, almost 90 per