

**Senator Sparrow:** Mr. Chairman, in the remarks made by the young lady in the brief it refers to a guaranteed annual income and the motivation of people. The young people who made the presentation referred to people who would be guaranteed a guaranteed annual income and that they must have motivation. I am wondering if the students might have suggestions or recommendations as to how people can in fact be motivated if they are on a guaranteed annual income?

This is the greatest concern I think of people through discussions on guaranteed annual income and that is that you take away the initiative of the people to work. Could you or your students give us some ideas of how these people can be motivated if they are in fact on a guaranteed annual income?

**Mr. Richard Crooks:** In the guaranteed annual income you are getting people a guaranteed salary so you can bring them above the poverty level. By doing this you are making them suitable for a standard of living in their particular area and there is no incentive in giving a nation-wide Booster Campaign presentation and the only alternative would be the setting up of a cooperative for employees in various fields of work subsidizing one family living below the poverty level.

These four families would pay for this one family living below the poverty level. This would be done so that he could increase his education to be more suitable for the manpower field.

The effects of this would be personal contact between the four families subsidizing the one family.

**Senator Connolly:** Does this brief envisage the elimination of the means test? Do you suggest that certain bonuses would not be paid to people who do not need them? I am wondering if you have that in the back of your mind?

**Mr. Johnston:** Well, a means test is necessary but not necessarily a means test.

**Senator Connolly:** Well, let me put it to you this way. I am in the very fortunate position under the circumstances where I do not need an old age pension. I do not need a Canada Pension Plan and why therefore should I receive from this country cheques for old pension and for the Canada Pension Plan?

**Mr. Johnston:** Well, I think you could find a reason partly due to government failure but I think Nancy Monroe would be best suited to answer this question.

**Miss Monroe:** Well, Mr. Senator, anybody who is 65 of age can get the old age pension and if one is able to get along without the old age pension one shouldn't get it. It is like the old people that are just getting by with the \$75 a month and if they can get more money up to \$120 but still that is not enough then there should be some way of finding out these people and to make the wealthy to not get the old age pension and the unfortunate people to get more because the old people have to have some money to get along. They are married and they have families and they don't want to rely on charity.

Like my grandfather; he likes to be independent and that is one of his chief goals. They would just like to get along like everyone else without their families and if they are dependent their goal is shattered and they don't have anything to work for.

**The Chairman:** I think in fairness that since this is a class that has been thinking about it something should be said about why government do the things they do. They are not entirely stupid and you find that there is a certain limit and I don't know whether \$7,500 or \$10,000—I am not just sure but it is much cheaper for the government to pass out the cheques on old age security than to make an investigation to the income of each one of those people.

There is enough recovery of taxes at that level so that they get so very little and there is so much saved in administration that that is the theory behind it and I think you should know what the government is thinking.

Actually, it has been borne out that that approach is more efficient and cheaper than it would be the other way.

**Mr. Fred MacLeod:** I would like to clarify a position of our committee. While the people outside of our committee seem to think that the guaranteed annual income would be great; after looking into it I don't think it is feasible at all. We should think that maybe the minimum wage should be broadened. I don't think Canada is not a very wealthy country and rather than have a guaranteed annual income you might want to see a raise, perhaps 20 per cent in the minimum wage.