

*"The root of the problem of poverty lies in a set of assumptions or myths we hold on how our society or economy operate. People on welfare are the target of much unfounded and unjustified criticism. The attitude of people often is 'I have made up my mind. Don't bother me with facts.' We have failed to realize that a free and equal society for many may not in practice mean a free and equal society for all."* Report of the Special Senate Committee on Poverty.

enough. The provinces had their separate programs and the cities had theirs. The Federal Government contributed a dib here, a dab there. Administrative confusion spread across the land.

In 1966 the Federal government tried to cope. It made an effort to provide a basic structure for the whole country. It passed the Canada Assistance Act, usually called the CAP.

CAP was basically a fiscal device to spread welfare and assistance money around.

[THE CANADA ASSISTANCE PLAN  
IN THEORY AND IN PRACTICE]

The Government intended to make sure that every Canadian who needed welfare assistance received it in adequate amounts. CAP was not restricted to the impoverished; help was to go to all in need.

The Plan left certain areas entirely in the hands of the provinces — education and correction were specifically excluded. It offered a large variety of programs designed to attack poverty in toto. It had a major flaw — it was not a package but a grab bag. Provinces took what they wished, or could afford, and rejected the rest. Some parts were ignored by the majority. Only three provinces chose to integrate the CAP Blind Persons Allowances into their general welfare scheme; only six integrated the Disabled Persons Allowances; none took the opportunity to provide a program for Indians.

It had a fiscal inequity built in. Financing was on a 50-50 share, the province paying half, the Federal Government half. The provinces in addition to paying half had to finance the whole and then bill Ottawa for the Federal share. The poorer provinces found it difficult to bill and wait for the whole or to pay half for some programs they needed. One result has been to assure that the poor in some provinces remain poorer than the poor in others. A family of four in Hull received \$100-a-month less in general welfare than a family precisely similar in size and circumstances across the river in Ottawa.

The welfare budgets for families of four range among the provinces from the \$187.66 a month model in New Brunswick to the \$335 one in Alberta. There remains much administrative confusion, many delays, conscious or unconscious

efforts to discourage applicants and mind-boggling red tape. The tangle is such that some people regard the government itself as a major source of poverty. A poor family is likely to find itself dealing with two, three or five separate agencies and finding proper relief from none.

[OTHER FEDERAL PROGRAMS TO HELP THE POOR]

There are other Federal programs besides CAP — ones that are uniform across the country and therefore less liable to the inequities cited above. They have, however, grievous faults. Most often they fail to adjust payments as the prosperity of the rest of the country grows or as the cost of living rises. They contribute to the widening of the gap between the poor and the non-poor.

The programs are: Old Age Security; Family Allowances; Youth Allowances and the payments made under the Canada Pension Plan.

The Family Allowance Act of 1944 was established at a time when Canada's gross national product was about a sixth of what it is today. It was established at a time when the average industrial wage was \$32 a week. Today the average industrial wage is \$120 a week. The cost of living during those twenty-seven years has risen by 111 per cent. The payments under the Family Allowance Act have risen only fifteen per cent. The Old Age Security payment was \$40 a month in 1951. It is \$80 a month today. The average industrial wage has risen 138 per cent during the same time. Old Age Security payments were not intended to provide a person's whole income. Twenty-eight per cent of those receiving it receive no other income from any source. They are old and they live on \$20 a week, less than \$3 a day.

Efforts to lessen the hardships of some people affected by these programs are being made. The Family Income Security Plan is now in process in Parliament. It is designed to re-establish the original intention of the Family Allowance Act by increasing maximum benefits.

The Senate Committee suggests that the efforts to relieve the suffering of the poor by specific remedial legislation may be amiss. Quoting from the debate in the House of Commons on the Family Income Security Plan, it asks:

"Do we assist the poor by giving something to