

The Canadian Economy

by self-employed individuals who are engaged in farming, fishing, hunting or in small businesses.

Let me now talk about the unemployed. A major factor of poverty in families is the unemployment of the family head. In fact, the degree to which families are exposed to poverty varies with the employment of the heads of families. There is some unemployment even in the best of times and it is generally accepted that some unemployment is unavoidable. Because of structural changes, seasonal and other factors, a 4 per cent unemployment rate on a national basis means that not everyone can work, and that wages will be lower than they would be if there were greater competition for workers. It also means that young people without work experience, the uneducated and many others, fall victim to unemployment through no fault of their own and are thus exposed to poverty. Higher rates than 4 per cent would, of course, aggravate this situation still further.

At any given time people may be unemployed for a variety of reasons. In Canada, on the average, seasonal variations account for about one-third of total unemployment. In many of our depressed areas this is the principal cause of poverty. Those with limited education and marginal skills are finding work only with increasing difficulty. Technological changes, producing shifts toward occupations which call for higher education and particular skills, pose a growing threat to the uneducated and the unskilled. The victims of unemployment may be squeezed even harder in future years by an increase of automation. The combination of the computer and automated machine promises a tremendous increase in production, with a reduction in human labour requirements.

The underemployed are people working less than they want to, in part-time or casual jobs or at occupations where productivity and income are low. Underemployment in the latter sense is a major poverty factor, especially in rural areas, and can be regarded as incurable underemployment. For many male workers who are the heads of families, it is not the current joblessness that is the primary cause of poverty but, rather, the history of an erratic series of short-term jobs or a spell of uninterrupted employment at low pay, coupled with a large number of dependants to be supported out of family income. A large proportion of these people are working full-time, even though their wages cannot keep their families out of poverty.

Most of the full-time workers in this situation appear to be now engaged in low paying occupations. They may have more difficulty in obtaining needed help than a victim of unemployment. An unemployed person is eligible for unemployment insurance benefits and, when these expire, for social assistance. On the other hand, full-time workers with low earnings cannot get any further help even though their incomes are inadequate. Most provincial welfare departments are reluctant to subsidize full-time earnings in circumstances of extreme hardship. Welfare authorities have to consider the twin problems of weakening incentives to work and subsidizing inadequate wages.

[Mr. Guay (St. Boniface).]

The heads of about 40 per cent of families as well as 61 per cent of unattached individuals living in poverty are not in the labour force. As mentioned before, these include retired people, widows and deserted wives with dependent children, the totally disabled and the handicapped.

Let us consider the retired, Mr. Speaker. The aged population exhibits a relatively high degree of economic insecurity, despite the fact that more of the aged than of any other group currently draw some support from public programs. Moreover, the poverty of the aged affects considerably more people. Some aged persons are married to persons not yet 65 who are also poor, and others with no spouse are sharing the house of a younger relative. Still others, whose numbers cannot be estimated statistically, are supported in part by relatives not living in the same house.

As the aged move out of the labour market and into retirement, their incomes go down while certain of their needs grow. An indication of the extent of low incomes in this section of the population is indicated by the fact that in 1970 about 48 per cent of old age security recipients qualified for the guaranteed income supplement which assured an income of \$1,337 for a single person and \$2,674 for married couples. Deteriorating health adds to the problems of the aged as their faculties decline and their housing needs change. The cost of accommodation to meet such needs is often beyond the reach of the aged, since in most places subsidized housing and special services are not available to them.

May I now talk about the disabled. Of the estimated 1,300,000 Canadians who have some degree of permanent physical disability, about 520,000, or 3 per cent of the population, have disabilities classified as severe or total. One half of this group is of working age, but only one in four has earnings from employment. Disabled persons make up a significant part of the poor in Canada. Physical and mental defects that lead to disability affect a substantial proportion of the population. It is estimated that congenital defects, chronic diseases and accidents restrict at least one person in ten from carrying out the usual activities of daily living. Several provincial welfare departments have indicated that about one-third of assistance recipients are in families receiving aid because of ill health or disability.

● (5:40 p.m.)

With regard to the poverty of minorities, in the last few years, after decades of relative indifference, Canada has become seriously concerned with the plight of its native peoples. The attitudes surrounding Indians, Eskimos and Metis, both from within and outside their communities, have created a wall of misunderstanding between them and Canadian society. In the past they have been given little systematic help either to preserve the values of their own culture or to adapt to the demands of the white man's world. As a result, a high proportion of these people are chronically dependent and live in some of the worst conditions to be found in