

Social and Economic Security

One of the important statements which appeared in the report of the poverty committee reads as follows:

The elimination of the scourge of poverty from the land is a vital national goal. It cannot be achieved without the compassion, the understanding, and the co-operation of the Canadian people.

When I think of that statement I am reminded of the blind, the working poor, the handicapped, the widows with children, the undertrained and the aged. I know that we are all concerned about them and the Canadian people are prepared to become involved. In my view, the aged should receive the highest priority. I receive from senior citizen constituents many letters which make me extremely despondent because it seems to me that with the \$80 that is fixed and the \$55 which is on a sliding scale—the \$80 not being subject to any particular cost of living bonus—they cannot make it. I do not have to tell you of the frustrations and anxieties that they experience. Surely our aged people are deserving of more consideration than the government has given them.

• (5:40 p.m.)

When we talk about poverty in Canada, Mr. Speaker, we are talking about approximately five million people who are living at or below the poverty line. What does this really mean? It means that we have people who are deprived. On the other hand, it means that we are impoverishing the economy. We are losing \$1.5 billion to \$2 billion that could go into the development of the economy. All this means lost productivity. Then we must mention health services, welfare services and legal aid services. All of these added together spell a tremendous problem.

I would like to concentrate for a minute or two on the working poor, those who should be receiving our sympathy—those who, as I said before, have the frustrating experience of contributing to our society but who are not getting any benefit from it. They continue to punch a clock in order to remain a productive part of the mainstream of our economy. We expect them to have faith in our political and economic systems to which they give so much and from which they receive so little.

We have to face realities when we consider any program designed to provide a guaranteed annual income, whether it be through a negative income tax or other means. Over and above everything there is what I consider to be the most important policy, that of full employment. In order to end poverty we must first be prepared to transfer substantial funds from the middle and upper income classes to the lower income classes. This is a prerequisite; without it there is no sense in talking about ending poverty. We will have to convince the upper and middle income classes that a fairly substantial transfer of funds to the lower income classes is necessary in order to assist the poor—unless, of course, we call for a drastic reduction in living standards all around.

The second thing we must be concerned about in this area is that if we intend to abolish poverty, our whole thinking must be reassessed in terms of spending our tax dollar. We have been spending much of that dollar on low priority programs. Here I mention the money that we have spent on the B and B Commission. I am not saying that it is wrong to implement its recommendations, but I wonder if it should be one of our main priorities when we

have five million people living at or below the poverty line.

Foreign aid is another matter that must be considered. I believe the target is to spend 1 per cent of our gross national product on aid for undeveloped countries. I think this is a fantastic assessment of man's interest in mankind when we have in Canada five million people living at or below the poverty line. Then there is all the money that was spent on the *Bonaventure* and the hydrofoil craft. We shall have to re-assess where our tax dollar goes if we are to treat the problem of poverty seriously.

Mr. Danforth: We have to establish priorities.

Mr. Alexander: We have to establish priorities, as my hon. friend from Kent-Essex (Mr. Danforth) has suggested. Canadians are generous but they are also extremely practical. They want to know what the results may be and where their money is going. In other words, they want a comprehensive study undertaken of all programs before running blindly off into the realm of a guaranteed annual income, because they know that someone has to pay the shot. There has been considerable debate on the question of elimination of poverty through the adoption of one scheme or another. We should not rush headlong into a guaranteed annual income scheme until we have made a comprehensive study of the entire problem.

The Minister of National Health and Welfare (Mr. Munro) has indicated that a guaranteed annual income scheme would cost us \$3 billion. The Croll Committee, without taking into account a guaranteed annual income for those at the upper level of income of the poverty line, estimates that such a scheme would cost about \$1 billion. I maintain that the Canadian people will not stand for such a scheme unless they know it is adequate and has low administrative costs. We must find a system of transferring adequate funds to the lower income classes at relatively low administrative cost.

As indicated by the report of the Senate Committee on Poverty in Canada, something like \$4,364,000,000 was spent on federal and provincial income security programs in 1969-70. This covered the whole gamut of social insurance programs such as the Canada Pension Plan, the Quebec Pension Plan, unemployment insurance, workmen's compensation, veterans pensions, old age security, guaranteed income supplement, family allowances, youth allowances, social assistance programs for special groups such as the aged, the blind, the disabled, veterans, Indians and Eskimos, mothers allowances, unemployment assistance and the Canada Assistance Plan.

What concerns a lot of people is that many generalities have been expressed with respect to those who are on welfare. A vocal minority of Canadians are concerned because they believe that the vast majority of those on welfare are what can be called perpetual welfare cases. The Minister of National Health and Welfare has done many things for which he can be commended, and on the other hand he has done things for which he cannot be praised. But one thing he has done is to break down the figures in this respect. His figures—and we should keep them in mind—show that only 2 per cent or 3 per cent of those on welfare are what could be called types who are prepared to beat the game. If we are to maintain our credibility when we talk about these programs, one point