

*Guaranteed Annual Income*

whether unionized or not, who live in the economically poor areas of Canada. A guaranteed income program would do something effective to improve conditions affecting this important category of Canadians. It is important to note that in 76 per cent of the poor families at least one member of the family is working. In other words, 76 per cent of all those families officially designated as living in poverty include one or more members who go out to work. These are the working poor.

I wish to deal briefly, now, with two myths. The first one, I call the abusive myth. This is a view held by many people in this country, unfortunately, and it goes as follows: That people on welfare really tend to abuse the system; that they live high on the hog; that they use their welfare payment for a downpayment on a new car. All kinds of bizarre and, in my judgment, cruel stories go around to this effect.

• (5:10 p.m.)

What is the evidence? The evidence, recently confirmed in an article published in "Canadian Welfare" by Professor Stephen Peitchinis of the University of Calgary, is that 95 per cent of the people on welfare who were studied were found to be legitimate welfare cases. They were people who were living in an unfortunate state and had no meaningful alternative. Less than 5 per cent could be seen to be in any way cheating or abusing the system. This recent study merely confirms the whole history of studies done in this country and elsewhere and which reached the same conclusion. In short, the vast majority of people on welfare in our country, as well as elsewhere, have no alternative and would damn well like to be working.

The second myth is that somehow we need to keep people at a relatively low level of income in order to get them to do any work at all. This I call the incentive myth. It is said that unless you really do have a number of people suffering a little—not to a substantial degree, but suffering a little—these people will sit back and do nothing. Once again the evidence is completely to the contrary. I would refer to anybody who wants to rely on evidence as opposed to irrational prejudice a current study that is now being done specifically on the question of a guaranteed annual income in the state of New Jersey. The evidence provided so far—though the study is by no means complete—conclusively suggests that people do not require financial incentive to work. It confirms that there is something in

human beings that the so-called romantics have referred to as integrity, as the desire to make one's fair contribution to the productive labour of mankind.

I will leave these myths at this point. I have mentioned them because I suspect that they may be brought up in this debate or elsewhere in the country. I leave them, I hope, with the clear suggestion, one based on evidence, that they are myths and should not be taken seriously.

I should now like to get into the specific form of guaranteed minimum income that I have in mind. There have, of course, been many proposals, a wide variety, coming from all sides of the political spectrum. My own preference is for a 100 per cent federal program which would be related to the level of taxable income and the annual estimate of poverty level incomes that is made by the Economic Council of Canada. The explicit objective of the guaranteed minimum income program would be to ensure that no family or independent single person in this country has an income which is at or below the poverty level.

The program would be implemented in the following manner. First, any man or woman could apply for the guaranteed minimum income at the beginning of each year. This would be done simply by filling in a form giving an estimate of the individual's or family's income for the coming year. Second, if the estimated income of the person or family falls below the current estimate made by the Economic Council of Canada of the existing poverty levels, then the applicant would be eligible for a monthly federal government payment which would enable the person or family to escape from the poverty level income category. Third, if during the course of the year the income position of the person or family improved, they would be expected to inform the government so that the rate of payment could either be altered or abolished completely. Fourth, at the end of each year when the recipient fills in an income tax form, which would be obligatory for all recipients, if he had received payments in excess of the requirements he would be obliged to repay to the federal government the excess amount in monthly instalments. Fifth, abuses of the guaranteed minimum income program would be checked in precisely the same way as are income tax evasions at present.

With regard to cost, our research people have estimated that, assuming the abolition of