

GENERAL FEATURES

It is proposed that the Government of Canada provide cash payments to all Canadian families whose incomes fall below a defined "poverty line." The size of payments would be based on the number of family members and on the size of family income. The program would be financed and administered on a national, uniform basis by the Federal Government. Income maintenance through the G.A.I. would be completely separated from the provision of social services, responsibility for which would remain at the provincial government level. All federal income-maintenance programs must be integrated into the G.A.I. program, and legislation relative to these existing programs would be repealed. Exceptions would be those federal programs that are based on insurance principles, or on a special federal responsibility or obligation (for example, Unemployment Insurance, Canada Pension Plan, and Veterans' Allowances).

OPERATIONAL FEATURES OF PROPOSED G.A.I. PLAN

In order to discuss the operation of the proposed G.A.I. scheme it is necessary to introduce a number of terms and definitions. There are four basic variables involved in the design of any N.I.T. type of G.A.I. plan. By adjusting the absolute and relative values assigned to these variables, one may create an infinite number of possible plans. However, constraints imposed by the criteria which have been discussed effectively reduce the number of meaningful alternatives. The four basic variables are:

1. *The Poverty Line.* As discussed in Part 1, and in the Appendix, the poverty line defines the target population since it divides the total population into the poor and the non-poor. The poverty line developed by the Committee, and used as a basis for the G.A.I. proposal, provides a reasonable and sensitive base-line for the development of anti-poverty programs, and for the evaluation of such programs after implementation. The Senate Committee 1969 poverty lines for various family sizes are shown in Table 36.

TABLE 36
Senate Committee Poverty Lines, 1969

Family unit size	Poverty line (nearest \$10)
	\$
1.....	2,140
2.....	3,570
3.....	4,290
4.....	5,000
5.....	5,710
6.....	6,430
7.....	7,140
10.....	9,290

SOURCE: Staff Study.