

TABLE A 1

Relationship between family unit size and income requirements  
expressed as Family Size Equalizer Points

Family unit size	Family Size Equalizer Points (F.S.E.P.)
1.....	3
2.....	5
3.....	6
4.....	7
5.....	8
6.....	9
7.....	10
10.....	13

SOURCE: Staff Study.

The two major problems in the development of any new poverty lines are: first, how such lines are to be derived; and, second, how they are to be adjusted over time. Conceptually, it seems obvious that a view of poverty as relative has the most merit. For various reasons, however, this view has not characterized the development of poverty lines either in Canada or in other countries. At the other end of the scale (or, perhaps, on the other horn of the dilemma) budget-oriented lines based on some idea of "adequacy" or "necessaries" are known to involve a higher degree of subjectivity and countless hours of toil on both defining and pricing such necessities. The Committee felt that the degree of arbitrariness and subjectivity required to develop new poverty lines on the basis of a budget-oriented approach to be unacceptable.

A clue to the resolution of this problem was provided by Orshansky's previously cited remark:

The concept of poverty has to be limited by the purpose which is to be served by the definition. There is no particular reason to count the poor unless you are going to do something about them.<sup>22</sup>

It is a recommendation of this Committee that something very real "be done about them"; namely, the provision of a Guaranteed Annual Income incorporating the Negative Income Tax principle. Such a program is highly dependent upon the determination of realistic yet socially and financially acceptable poverty lines. To meet the objectives stated above, the new poverty lines must satisfy the following criteria:

1. They must be an improvement, both conceptually and technically, over those poverty lines, whether implicit or explicit, currently in use in Canada.
2. They must provide for an acceptable level of adequacy in terms of current need levels.