

Social and Economic Security

annual income through pilot projects? Is that not a waste of money, in view of what he has now said?

Mr. Munro: Mr. Speaker, I did indicate to the House—I suppose the hon. member was not listening—that the guaranteed annual income poses, to me at least, some very serious questions that have to be answered. I am not as sure as I once was that it is the panacea that many have claimed it is, and I think another look should be taken at it. One of the things we should look at is the effect it has on incentive. We should also look at the level at which the guaranteed annual income should be paid and whether or not we are just institutionalizing poverty.

The advantages of such a proposal must be closely examined. One of the best ways to find out the answers to some of these questions is to undertake experimental projects. Many of the provinces agree with this. Provinces of all political complexions, think that we should have experimental demonstration projects in the guaranteed annual income field which over the course of the next year or so that we might find concrete answers to some of these questions.

Mr. Lundrigan: May I ask the minister whether the experiences in New Jersey and in numerous parts of the world which have carried on this sort of experiment have been fruitful? Do we have to go on spending \$15 million in order to find out the answers to the four or five questions that the minister has raised? Is our poverty so unique that we have to spend so much money to find answers to the problem?

Mr. Munro: The experiment in New Jersey is hardly sufficient on which to base an answer, especially since it has not yet completely concluded. The New Jersey experiment may provide some answers, though it was a very limited experiment involving relatively few people.

My next comment in relation to some of the things the hon. member has just said is that I do not feel a guaranteed annual income project carried on in another country is much of a guide to us in Canada. The circumstances might be entirely different, as might be the environment in which the projects are conducted. In addition, the sense of values might be quite different. I do not think we would get many accurate answers from an experiment conducted under those circumstances. In view of the fact that we are talking about spending billions of dollars on a new system of income guarantees that is thought by many to offer concrete hope for many people, I do not think that spending \$15 million on a few experiments of our own is at all wasteful.

[Translation]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am glad of this opportunity to give my opinion on the present situation and especially on the motion under discussion, which reads as follows:

That this House condemns the government for its failure to propose legislation establishing a social and economic security plan placing all Canadians above the poverty level.

Mr. Speaker, why do we have poor people in Canada? Can the present system have been any good, considering it led one third of the population to stagnation and poverty?

[Mr. Lundrigan.]

Mr. Speaker, that is the result of our planned economy where a certain amount of steering is noticeable. Otherwise the results would be different. But that planned economy has brought poverty to some of our fellow citizens and has made it possible for others to become rich.

Mr. Speaker, we do not want equality for all people, but we say that Canada has surplus products which should be distributed to the needy. In fact there are surpluses a plenty as shown by official statistics in recent years. And we do not know what to do with those surpluses. There are surpluses, but there is also poverty.

• (8:40 p.m.)

Mr. Speaker, I do not agree with those who say that poverty exists in Canada. We do not have poverty in Canada but abundance, and I ask the minister to find a way to distribute this abundance.

We live in abundance and we don't know what to do with the surplus production. We seek all kinds of ways to export the goods we produce because we want to sell our surpluses. There are some Canadian citizens who are undernourished; they would need some of that surplus production and through appropriate means we could distribute it in order to meet the needs of our people, those we call the "poor", who have nothing to eat.

The Minister of National Health and Welfare (Mr. Munro) was saying a short while ago that the present system does not provide the means to solve the problem. In his opinion, jobs should be secured for all citizens. But the only way to create jobs is to borrow and invest. In order to invest, it is necessary to borrow and to repay the loan together with interests. So more is taken from society than what is actually invested.

That is why, Mr. Speaker, we are increasingly vulnerable to the shortcomings of the system. One hand gives while the other takes more away, thus aggravating the economic situation and increasing the number of poor people.

In order to understand well the present trend of the Canadian economy, under the direction of its financial, economic and political élite, it is only necessary to take a look at the past from 1934 until now. The results of our national economic system cannot be due to chance but are the consequence of haphazard management by qualified Canadians to whom we entrust the administration of our public and social affairs.

Every Canadian is interested in a fair distribution of the national product destined to consumption and to capitalization for future years.

We produce first to meet the needs of the citizens and then to provide for the security and the development of Canada in years to come.

Thus the purpose of production is twofold: consumption and capitalization. This is what the minister fails to study.

The Bank of Canada was established in 1934 in order to balance the management of our economy. Let us see, in the light of the figures I will quote the orientation given by financial and political authorities to the production in relation to consumption and capitalization.

In 1934, the gross national product was \$4 billion, consumption \$3,600 million and capitalization \$400 million. Consequently, 10 per cent of the GNP was capitalized.