

been used as the measure, the poverty rate might have been about 10 per cent—a figure that few would have taken seriously. On the other hand, an 80-per-cent criterion would have resulted in a poverty rate of over 40 per cent, an unacceptable figure.

A second major criticism is that the poverty lines have failed to take account of changing socio-economic conditions over the last decade in Canada. The finding that the average family unit spends 50 per cent of its income on food, clothing, and shelter was based on a 1959 survey of family expenditures. With increased average incomes and standards of living in Canada, it may be that, in 1971, the average family spends a much lower percentage of income on necessities, perhaps only 40 per cent. If this is so, and the "hardship" criterion is set at 20 per cent above the average (as it was in 1961), then it would mean that the hardship criterion should have been lowered proportionately, perhaps to about 60 per cent of income. Such revisions have not, to our knowledge, taken place.

The third, and perhaps most serious criticism, is that the Podoluk lines, because they are revised only with reference to changes in the Consumer Price Index, create a false impression that poverty diminishes through time. That is, Statistics Canada publications show that the poverty rate, using the Podoluk lines, dropped from about 25 per cent in 1961 to about 18 per cent in 1969. This would appear to be a significant improvement. However, when it is pointed out that the poverty lines were revised upwards by only 26 per cent over this period of time while average family income rose by some 65 per cent, the apparent reduction in poverty becomes, for many, just that—apparent.

A further shortcoming of the Podoluk line is the nature of its family-size adjustment-scale. Great dissatisfaction has been expressed over the fact that the highest poverty-line income-level includes all families of five or more persons. In 1969, the Statistics Canada poverty line for a family of five was \$5,051. However, it was also \$5,051 for families of six, eight, ten, and more. Even the stringent provincial budget standards for items of basic need make specific allowance for the extra costs incurred by families of more than five persons.

For these and other reasons, there is a growing dissatisfaction with both the conceptual and technical aspects of the present poverty lines in Canada, as evidenced by Hindle's remark that "perhaps the real beginning of the war on poverty awaits the definition of relevant poverty levels. . . ." <sup>20</sup> Given the limitations of any poverty lines, then, the Committee found itself charged with the task of defining "relevant poverty levels."

#### DEFINING MORE RELEVANT POVERTY LEVELS

The first limitation on the development of more relevant poverty lines is the fact that poverty, as seen here, will be defined as income deficiency. The re-