

*Alleged Non-Institution of Just Society*

welfare measures are merely an accumulation of ad hoc responses to particular situations, and therefore provide widely disparate levels of financial support to persons in similar financial circumstances across the country.

The white paper poses the guaranteed annual income alternative in ridiculously naïve terms. In chapter 6 there is this declaration:

The many defects that are apparent in the existing programs lead to a basic question. Why not do away with all these programs and introduce in their place one over-all guaranteed income program to provide all persons in poverty with a basic minimum income?

It then proceeds to show how difficult it would be to eliminate most existing programs, such as unemployment insurance, workmen's compensation and the Canada Pension Plan. Most advocates of a guaranteed minimum income propose such a plan as a replacement for schemes of social assistance only, and would leave social insurance programs intact. Social insurance programs are intended to prevent people from falling into poverty: a guaranteed minimum income would help out those already in a condition of poverty.

• (3:00 p.m.)

The argument for a guaranteed annual income is that it is a superior alternative to income support programs, those which help people in poverty, and not an alternative to income protection programs, those which keep people from falling into poverty. The great difficulty with income support programs now is that they do not pay enough and are therefore self-defeating. They alleviate hardship but they do not make the poor less poor, leaving poverty to breed more poverty. The claim made for the guaranteed annual income is that if the income floor is set high enough to ensure an adequate minimum, the vicious circle of poverty can be broken, giving supportive social services and rehabilitative programs a chance to succeed. Current income support programs simply perpetuate poverty; the guaranteed annual income looks to its eradication.

The white paper does not recognize this point, nor does it even make the argument. It talks about the need for greater emphasis on anti-poverty measures; but it ends up by proposing higher family allowances for low-income families and more money for the needy aged, which will still leave most recipients who are below the poverty line where they are—below the poverty line.

Another disappointing aspect of the white paper's approach to the guaranteed annual income is its discussion of work incentives. Incentive to work is cited as "the major criticism" of the guaranteed annual income approach, and further study and investigation is called for to find out what effects such a program would have on the incentive to work and save. This is an inexcusable oversight. Why did the white paper not evaluate how work incentives operate in guaranteed minimum income schemes in other countries and include an evaluation of the New Jersey experiment? Canada does not need to break new ground here because the information is already available. Furthermore, social workers state that there is not enough clinical evidence to support fears of a

loss of work incentive in a guaranteed annual income system. The vast majority of low income earners want to work and get ahead; thousands already work even now when they could do better on welfare. The few who refuse to work will either be tolerable deadweights or else they can be ruled ineligible for guaranteed annual income assistance, just as is done now in some welfare programs.

Secondly, most guaranteed annual income type proposals have incorporated into their schemes work incentives far superior to the present situation. Currently, "disincentives" are built into existing welfare programs, as individuals lose from their welfare cheque or subsidy any money earned or saved; therefore, they are encouraged not to work to supplement their meagre welfare payments and to break the poverty and welfare cycle. A guaranteed annual income proposal, then, provides more adequate work incentives than do the government schemes, although the white paper erroneously implies the opposite to be true.

Another hurdle to acceptance of the guaranteed annual income, states the white paper, is the problem of administering the program. This is a strange argument. One wonders whether the administrative task would be significantly different from that involved in administering the guaranteed income supplement and the proposed family income security program, the payments under each of which will be income-related. The white paper expects that family income security program would be related to the income tax system, as the guaranteed annual supplement is at present.

A guaranteed income scheme could also be related to the tax system. Therefore, it is unlikely that a guaranteed annual income could impose an additional burdensome administration problem. In fact, rather than increase the administrative burden, a guaranteed annual income might actually rationalize the existing government bureaucracies by tying more closely the operations of the income tax system and the welfare system.

Ignored also in the white paper's discussion of costs are estimates of the social and economic costs of poverty. On this subject, the National Council of Welfare has stated clearly the case that the alleviation of poverty through such measures as a guaranteed annual income may be cheaper than the costs we presently accept for coping with the problems originating from the condition of poverty.

It would be easy for me to continue for some time documenting the inadequacies of the government's discussion of a guaranteed annual income in the white paper. To say the least, it was very disappointing. Canadians expected a factual discussion on the guaranteed annual income, and instead received only an apologist's rationalizations for failure to take a positive, intelligent stand on the issue.

The second occasion for the Liberal government to broach the subject of a guaranteed annual income came at the welfare ministers' conference last week. There, the federal Liberals put forward a plan to amend the Canada Assistance Plan so that the federal government would

[Mr. Marshall.]