

The net cost, for 1967 is estimated at \$645 million, or more properly speaking, between \$600 million and \$700 million. This figure is, of course, subject to all the limitations mentioned earlier, but does represent a "reasonable" estimate.

In addition to the costs and savings estimated above, it seems probable that a significant saving would accrue from the simplification of administration under the proposed G.A.I. Direct payments to clients from the Federal Government with minimal requirements for eligibility determination and surveillance would reduce administrative costs significantly over the present systems. There is no basis on which these savings can be estimated for Canada, nor is there any way to determine how much of such savings would be at the federal level. In the United States, one estimate of savings based on a similar proposal was in the order of 40 to 64 per cent of existing administrative costs.<sup>4</sup>

The figure of \$600 to \$700 million in 1967 for a G.A.I. program is substantial. The costs of any serious anti-poverty program cannot be small. However, this figure represents less than one per cent of Canada's G.N.P. for 1967. Furthermore, others who have used 1967 as a base year for G.A.I. cost calculations have found, when projecting costs forward to 1970 or 1971, that they increase by about 15 per cent. Thus, the Committee estimates that in 1970 the costs of its program would be about one per cent of the Gross National Product of \$84.5 billion.

## CONCLUSION

In this section we have presented in outline form a proposal for the introduction of a Guaranteed Annual Income for Canada. We have not attempted to present detailed analysis of the many inter-related factors which such a plan involves. Our primary purpose has been to prepare for Parliament and the people of Canada a set of preliminary guidelines which can be supported in principle and to which the Canadian people can realistically commit themselves. The Committee is satisfied that such a program is feasible and that the time has come for its introduction. The Committee is aware that the proposal must receive much more detailed planning and analysis than the Committee has been able to do, and that implementation must be phased over a period of time.

The Committee is also aware that Canada, and the poor in particular, cannot wait any longer for this realistic first step toward the elimination of poverty. What is needed is a commitment to proceed. The difficulties and problems can be tackled and solved once that decision has been made. If the decision is postponed until the "perfect" program is designed, the problems and difficulties will provide an excuse for procrastination and inaction.