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REPORT OF THE
CITIZENS' COMMISSION ON A HUMANE STANDARD OF LIVING

It has been nearly three years since the Edmonton Social Planning Council reviewed the situation of those living in poverty in its research document "Alternatives to Poverty and Welfare in Alberta". The grave picture which emerged at that time led to a number of interested professional and private citizens coming together to form the Citizens' Commission On A Humane Standard of Living. Members of this Commission began working with Edmonton Social Planning Council staff in 1973 to further explore the problem of poverty in Alberta. Their study and analysis focused on changes in government policies and programs which have affected the poor in Alberta during the last few years. The Commission's Report offers a series of recommendations to the Alberta Government which would improve the situation of those on welfare and those earning an inadequate income.

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EDMONTON SOCIAL PLANNING COUNCIL
HUMANE STANDARD OF LIVING COMMISSION REPORT

As Alberta approaches the mid-1970's, the Province's economic position appears more favourable than ever. Unemployment is down to a record low of 2.2%(1) and retail trade rose 22% between 1971 and 1973, compared with an increase of only 9% between 1969 and 1971(2). The average income in Alberta is higher than it is in nearly all other provinces.(3). The good life should be relatively assured to all who are fortunate to live in the Province of Alberta. But unfortunately, this is not the case. As in the past, the poor have been left far behind and there is simply no excuse for it. The existence of poverty within an economy that is well able to eliminate it is cause for concern. Even the just released "Position Paper on Public Assistance Incentives in Alberta" has little to offer in terms of alleviating poverty, despite its worthy recommendations for changes in the administration of the welfare system.

Generally speaking, the problem of poverty in Alberta has received scant government attention in the last few years. To explore this somewhat neglected area, our report examines the Alberta Government's policies and programs over the last few years with a view to making recommendations for improvements in the situation of those living in poverty. Hopefully, these recommendations will serve as guidelines for further government action which could enable those on welfare and those receiving low wages to partake of our general well-being.

THE WELFARE RECIPIENT

Changes in Welfare Rates

Although welfare rates have been increased in the last few years, such increases have taken place without due regard to the high rate of inflation. Between March 1972 and June 1973, for example, food costs in Alberta rose 12.5% but welfare food allowances rose only 9%. Other aspects of the welfare allowance were not raised at all, despite increased costs of living.(4).

The most recent increase in welfare rates follows this same pattern. Effective February, 1975, food and clothing rates for adults and children were raised. (Again, no increase in household or personal allowances.)

The amount of the increase ranged from a high of 10.9% (for a couple with two children aged 10 and 14) to a low of 9.8% (for a woman with a child under six). Inflation has been advancing at the rate of approximately 12% a year. What justification can there be, therefore, for sentencing those on welfare to an increasingly lowly existence through raising their allowances by an amount which is less than the increase in the cost of living?

Welfare recipients have been, then, in an untenable position. Because they have no alternative means of support (over 85% of recipients cannot support themselves), they have been forced to depend on living allowances which have a continually decreasing purchasing power due to inflation. What is the end result of this process? Welfare recipients have become relatively poorer (compared to other groups and in actual purchasing power).(5). It is not only the fact that allowances are being raised by too small an amount which is of concern - this merely aggravates an already serious situation. Welfare rates were originally established at below-poverty-line levels. (At the end of 1973, Alberta's welfare rates for a family of four were 66.9% of the poverty line established by the Senate Committee on Poverty.)

This situation, then, could be expected to result in increasing health problems on the part of those on welfare due to the poor nutrition and even malnutrition which are inevitable concomitants of an inadequate income.

So, the effects of Alberta's increasing economic prosperity, where our average income is over \$11,000 a year(6), have not resulted in a corresponding attempt to bring even a small part of this abundance to those in need -- people who are, by and large, unable to work.

What does the Position Paper on Public Assistance Incentives in Alberta have to offer to those on social assistance? Although it directs some much needed attention to the area of welfare rates, it does not deal with the fact that the original welfare rates were established at too low a level. And in its discussion of increasing welfare rates, the Position Paper does not go far enough. The recommendation that "the rates used in public assistance for basic items of assistance be adjusted each year to reflect changes in costs"(7) is a good one. It does not, however, make mention of just how great this adjustment in rates is to be. It could be argued, for instance, that the rate increase in January, 1975, took place in an effort to

"reflect changes in costs", although as we have seen, the January increase did not keep pace with the increase in the cost of living. To clarify matters, then, it should be clearly stated that welfare rate increases should parallel the increase in the cost of living index.

Although the Position Paper takes a much needed step in recommending periodic adjustment of rates, there is room for further improvement in this area. Present computer technology allows for cost of living adjustments more frequently than once a year. The Position Paper cites the yearly increase in Family Allowance rates while ignoring the fact that such payments are not intended to provide people with an income on which to live. Old Age Security and Guaranteed Income Supplement payments, on the other hand, are not increases on a yearly but rather on a quarterly basis. This makes sense as people living on a fixed income have no where to go but down as prices increase.

Other parts of the Position Paper do appear to recognize certain problems of living on a fixed oncome for a prolonged time period. It is encouraging to see the increase in disposable assets levels allowed in public assistance.

The trend towards elimination of vouchers is also a good one. It has long been recognized that the recipient of a voucher is much humiliated by the process involved in getting the voucher.

RECOMMENDATION

1. That the updated Senate Committee Poverty lines be used as a guideline in setting welfare rates to assure that allowances are not set below the level which is considered by the Committee to be a minimum standard.
2. The rates should be adjusted automatically, three or four times a year, by an amount equal to the increase in the cost of living.

Changes in Treatment of Unemployed Employables

Within the past several years, events have taken place that should have convinced authorities, more than ever, that continual harassment of "employable" recipients is a waste of time and resources. If there was ever any doubt about "employables" malingering on social assistance, the decline of their numbers during the last few years should be enough to convince even

the most incredulous that those recipients who are able to work will take employment when it is available. The proportion of "unemployed employables" receiving assistance has dropped substantially and this has occurred simultaneously with increasing employment opportunities in Alberta.(8). When a favorable labor situation exists, those welfare recipients in a position to take jobs (i.e., employable) will do so. What, then, is the justification for the present degrading process of continually exhorting employable recipients to work?

An increase in this trend will take place when certain recommendations of the "Position Paper on Public Assistance Incentives in Alberta" take effect. Giving an employable recipient three months to find work ignores the fact that most welfare recipients possess lower levels of education, training and skills than non-recipients. As a result, some individuals may have unusual difficulties in securing employment. Then, too, other problems may exist which hinder a recipient from obtaining a job, problems which relate to the individual, his home, his family, or some other aspect of his life. Certainly, the reduction of a recipient's assistance by 15% after three months is likely to have no long-term effect in instances such as these where other problems have prevented a person from finding a job within the three-month period. The underlying problems which hindered the individual from obtaining employment in the first place still remain and if they are not dealt with, they will likely bring that person back to social assistance.

There are more progressive courses of action that cope with the phenomenon of the hard-core unemployed. These programs are formulated to assist those who have difficulty in finding and keeping a job. One such program can be seen in the current Life Skills Course offered through the Canadian Mental Health Association in Edmonton. Although the Department of Health and Social Development has availed itself of this service, its participation to date has been limited. The number of social assistance recipients who have taken the course is small.(9). Judging from their overall success rate in remaining independent of assistance after completing the course, however, the value of such a program would seem to be obvious enough. Certainly, the financial saving to the Government of Alberta could be significant.(10).

The thousands of dollars that can be saved by this approach, then, point up the necessity of taking a preventive rather than a punitive approach.

Admittedly, meeting the problem of the long-term unemployed person through a program of positive action such as the Life Skills Course will require additional expenditure to cover the cost of the program. The end result, however, has been proven to be an individual who is better able to cope with life's problems, particularly with regard to securing and maintaining employment. This means that chances of a return to social assistance are much less (unlike the case of an individual pressured into a job by a 15% cut in social assistance) and that a financial saving to the Government of Alberta would be the long-term result.

RECOMMENDATION

That the Government of Alberta adopt a positive approach to deal with the problem of the long-term unemployed employable. This can be done through the implementation of a program which parallels C.M.H.A.'s Life Skills Course or through greatly increasing the Department of Health and Social Development's participation in the existing Canadian Mental Health Association course.

No Change in Investigation of Unemployables

Repeated investigation into the background of those receiving assistance due to an inability to work are still taking place. Authorities continue to spend money to look for that one individual in 1,500 who might not have been strictly honest in declaring his assets. Yet, investigations into welfare fraud have yielded a cheating rate of about 2%. In fact, the Director of Provincial public assistance estimates that only 1% of welfare recipients need to be investigated and only one-tenth of 1% are acting unlawfully.(11).

When the evidence exists, then, to the effect that welfare cheating is of minimal significance, there can be no excuse for continued spending on investigations into what has proven to be a myth - the welfare cheater. To police the system so heavily in the face of the evidence is inexcusable.

RECOMMENDATION

That Department of Health and Social Development policy be changes so that unemployable recipients are not continually investigated and forced to re-establish their eligibility for assistance.

No Change in Public Awareness

Public awareness concerning the welfare system is not usually recognized as an end towards our government should strive. We feel, however, that it is the duty of Alberta's Government to make citizens aware of the facts about welfare in order to assure that those on welfare who have a bad enough life as it is are not forced to bear the brunt of negative public opinion as well. By not taking positive action to eliminate myths about welfare cheating, about the high life on welfare and about the lack of desire of recipients to work, the Government is, in fact, condoning such public ignorance.

We know that public ignorance regarding welfare is indeed extensive. The Government survey "Public Attitudes Toward Public Assistance in Alberta" shows this clearly. Although the recently released Position Paper makes frequent reference to this survey at various points during the Report, no where does it mention that the survey revealed a shocking 30% who said they knew almost nothing about public assistance. Nor are the 75% who said they knew only a few things or less mentioned.(12).

RECOMMENDATION

That the Alberta Government use the results of its own survey "Public Attitudes Towards Public Assistance in Alberta" in order to arrive at programs which would reduce the present widespread misconceptions about welfare.

Change in the Work Incentive

The last remaining question concerning the position of those requiring social assistance relates to the amount of money that recipients are allowed to earn before their benefits are reduced. When the provisions of the Position Paper regarding work incentives are put into effect, the earnings exemption will be raised. The incredibly low exemption level that has hitherto been maintained at a constant level since the early 1960's is to be increased to the sum of \$50.00. Here is an instance where the "Survey on Public Attitudes Toward Public Assistance in Alberta" is not being fully considered, even though the Position Paper does refer to the Survey and states that "the public generally felt that the first substantial increment of earnings (about \$100.00) should be kept by the public assistance recipient in its entirety"(13).

If public sentiment regarding the earnings exemption is to be "given full regard", as the members of the Task Force intended, then the level of the exemption should be established at \$100.00.(14). While exempting work related expenses is a progressive step, we feel that the initial exemption level should be established at a level which is high enough to motivate those recipients who are able to take some employment to do so.

RECOMMENDATION

That the basic exemption for individuals be raised to \$100.00. We also recommend, in order to create a positive financial incentive to work that individuals and families be allowed to keep 50% of all income they receive beyond the basic exemption.(15).

THE WORKING POOR

No Change in Income Supplementation

The position of those who work but maintain their existence in poverty has not been altered by any policy changes within Alberta during the last few years. The Province has devoted no effort toward developing an income supplementation plan for the working poor, the vast majority of whom do not receive help from the only source available to them, namely through the Provincial welfare department. In fact, those receiving social assistance to augment their insufficient incomes make up only 1.4% of the total assistance caseload.

This means, then, that although many more of the working poor could qualify for such supplementation, they do not receive it. Why? Generally speaking, there are two main reasons: 1) they are too proud to be tainted with the stigma of welfare and 2) they are unaware that such assistance exists.

Obviously, then, a whole new scheme must be devised to meet the needs of the working poor.

Other provinces have taken the lead in this regard. Several of them are becoming increasingly committed to providing some form of supplementation to

their working poor, at least to bring them up to the level of the prevailing welfare rates. Various forms of income supplementation plans have begun in British Columbia, Saskatchewan and Manitoba. The Federal Government is also supposedly considering a general income supplementation scheme to assist the working poor.(16).

It is up to Alberta, then, to follow the leads already being established and recognize that poverty can indeed be associated with working.

RECOMMENDATION

1. That the Government of Alberta recognize that there are people who are working in Alberta who are living below the poverty line.
2. That study be made of the aforementioned income supplementation plans to aid in the development of an income supplementation scheme to be implemented in Alberta within the next two years.

Changes in Minimum Wages

Although our minimum wage has just risen to \$2.25 for adult workers in Alberta, other jurisdictions such as British Columbia, the Northwest Territories, Saskatchewan, Ontario, Manitoba, the Yukon and the Federal Government already had minimum wages which exceeded Alberta's former minimum wage of \$2.00 an hour by October, 1974. And despite the \$2.50 an hour minimum wage planned for July, 1975, Alberta will likely be in the same backward position - a number of other provinces are already approaching a \$2.50 an hour minimum wage and will probably announce increases surpassing the \$2.50 figure.

What does life at the minimum wage mean to those 36,000 Albertans who earn the present \$2.50 an hour?(17). It means, first of all, a yearly income of about \$4,000 which is enough to maintain only a single individual above the poverty line. So anyone with dependents earning the minimum wage is virtually assured of a life of poverty.

RECOMMENDATION

That the Government of Alberta remove low minimum wages as a cause of poverty by raising the minimum wage to an amount equal to the Senate Poverty line. In the first year, this should be the poverty line for a family of two, the second year, a family of three and the third year, a

family of four (the typical family size). Families of larger size would be assisted through increased family allowances. Such a step would eliminate close to one-half of the poverty in Alberta.(18).

No Change in Supplementary Health Services

Although we do have health care services which are available to all in Alberta, the poor are at a great disadvantage when it comes to being able to afford other related services. The financial ability to secure dental care and prescription drugs are two concerns relating to the individual's overall stage of health which have yet to be recognized by Alberta policy makers. These concerns are, however, receiving attention from some other provinces.

In the area of dental care, the provinces of Quebec and Saskatchewan are in the process of launching denticare programs for children. The Government of Alberta has indicated no such plans although the dental profession in Alberta has been urging some form of denticare for children for over ten years. Dental "prevention" would cost our society less than the expensive repairs necessary when teeth have seriously decayed. Yet, we continue to waste our social, financial and human resources.(19).

In the area of prescription drugs, Manitoba and Saskatchewan are setting up pharmacare programs that are expected to reduce the costs of drugs by at least 50%. Even before the start of its complete pharmacare program, Manitoba has achieved savings on drugs for its citizens, amounting to about 20%. Most Manitobans have been able to get 70% of their drugs at a cheaper price. Alberta citizens could benefit substantially if such steps were taken in Alberta. The quality of health care would be less dependent on the size of one's income and there would be a significant saving for everyone.(20).

RECOMMENDATION

1. That the Alberta Government recognize that the universal availability of medical attention alone does not ensure everyone adequate health care.
2. That a denticare program be established in Alberta and that some type of scheme, similar to that presently available in Manitoba, be developed to reduce the cost of prescription drugs.

No Change in Provision of Legal Services to the Working Poor*

Although Alberta's legal aid scheme was designed to provide legal services to those unable to afford the services of a lawyer, it is not meeting the needs of the people for whom it was designed. At the present time, the Alberta Legal Aid Plan excludes certain types of summary offences from coverage. These include such crimes as shoplifting, common assault and drunken driving. Obviously, people charged with these crimes are no better prepared to defend themselves in a court of law than persons charged with murder or arson.

RECOMMENDATION

That the Alberta Legal Aid Plan be expanded to include all summary convictions. Poor people charged with these crimes need as much legal protection as anyone else.

The Alberta Legal Aid Plan is not as accessible as it might be. When a person is arrested, quite often several days can pass before that individual is put in touch with a lawyer. This can lead to unwise "guilty" pleas as well as unnecessary time spent in jail.

RECOMMENDATION

That duty counsel be provided to take care of people after they are arrested until they get a lawyer to take their case.

If a person is not in custody, in order to obtain legal aid assistance, he or she must seek out the Alberta Legal Aid Plan. This presumes that the individuals knows that his problem is a legal problem and possesses the confidence to go through the bureaucratic process necessary to obtain Legal Aid services. Setting up a Neighbourhood Legal Services Program, on the other hand, would help to relieve this situation, by placing storefront law offices

* Adapted from Justice in Alberta: A Citizens Look at the Law, Edmonton Social Planning Council.

in poor communities. A number of provinces in Canada - British Columbia and Saskatchewan, for example - have adopted a Neighbourhood Legal Services type of legal aid in which a number of lawyers are hired to deal specifically with the legal problems affecting poor people and they are situated in the communities where the poor people live. This type of scheme would enable lawyers to learn more about the laws affecting poor people - for example, welfare laws, landlord/tenant laws, labour laws - and would help them meet the legal needs of poor people, which are often different from the legal needs of middle and upper-class people, in a more effective manner.

There are other reasons, too, for supporting the Neighbourhood Legal Services concept.

In addition to the fact that the present set-up of the Legal Aid Plan requires great effort on the part of the poor to receive service, the Plan is also administered in an inefficient manner. Because the legal aid "burden" is spread throughout the entire bar, several different lawyers are paid on a case by case basis, which can run into a lot of money. The Neighbourhood Legal Services Plan, however, can counter this lack of economy. By hiring a smaller number of lawyers specifically to handle poor people's cases, the net cost in the end would be in the form of monthly salaries, the sum total of which would be less than the present monies expended to pay for individual cases.

In addition, this type of scheme would eliminate another serious drawback which is a part of the administration of the present Legal Aid Plan. Because lawyers are presently paid a low fee for handling legal aid cases, the likelihood of shoddy service to the low-income client is increased. There is no motivation, beyond a lawyer's innate altruism, to do a good job. Admittedly, the rationale behind the payment of low fees is that the fees are not intended to provide an adequate living for lawyers. This view of legal aid, however, means that the service is often thought of as a burden on the legal profession. All too frequently law firms have their articling students or junior members handle legal aid cases, which they may not have the experience to cope with.

Adoption of a Neighbourhood Legal Services Plan would mean that the lawyers hired to deal with poor people's cases would be paid a regular wage and at least place legal aid cases on a par with the regular caseload, and thereby increase the lawyer's incentive to do a good job.

For three reasons, then, the implementation of a Neighbourhood Legal Services Program would seem to be the most logical course of action for the Alberta Government to follow:

1. Poor people would have far more access to the service;
2. Lawyers involved would become familiar with the special legal problems of the poor;
3. The Neighbourhood Program is more efficient than the Alberta Legal Aid Plan in that it is cheaper and would provide better service.

RECOMMENDATION

That a Neighbourhood Legal Services Program be adopted to replace the present Legal Aid Plan in Alberta.

In addition to the progressive steps suggested in the preceding recommendations, consideration of a comprehensive "legal care" scheme would seem to be the most forward looking of all plans that the Alberta Government could consider in any revamping of the present poorly functioning legal aid program. A "legal care" scheme would be one in which all people in Alberta would pay monthly premiums for a legal service that would be administered much like the Alberta Health Care Insurance Plan. This would eliminate the discrepancy between fees received from rich people and poor people and would go a long way toward equalizing the legal protection that rich and poor people receive.

RECOMMENDATION

That the Alberta Government strongly consider the adoption of some form of prepaid legal insurance scheme.

No Change in Policy Regarding Day Care

Although the number of government subsidized day-care centres has increased over the past few years, their sum total represents an insignificant contribution to the great number presently required. Given the 1,700 licensed

day-care spaces available in Edmonton in 1973, for example, it has been estimated that service was thereby provided for one in six children of the estimated 10,500 pre-school children whose mothers worked at that time. Out of the 1,700 spaces, only 440 were subsidized day-care centres and another 120 were subsidized family day-care spaces.(22). Presently, there are 531 pre-school subsidized day-care spaces available in the City of Edmonton.(23). This increase reflects the fact that two new centres have been opened in the past two years. It should be noted, however, that demand for day-care service is steadily increasing. In fact, it has been estimated by the Director of City Day Care Services that there are at least as many children needing the subsidized service as there are children presently able to make use of it.(24).

Such a small number of day-care spaces means, then, that:

1. An inadequate service is being provided for working parents in general.
2. A completely inadequate service is being provided for the working poor. Women from low-income families could add significantly to the total family income if subsidized day-care services were available to cover the costs incurred by their taking employment. As it now stands, however, many women in such instances are forced to remain at home, simply because the cost of care for their children would make it uneconomical for them to go to work. In cases where women must work (and this is happening with increasing frequency) and in order to do so must accept inferior child care, the situation becomes serious indeed. The importance of adequate care during the first five years of life cannot be over emphasized, as far as ensuring normal development of the child's physical, emotional, social and mental capabilities. Government failure to provide subsidized day-care services in adequate numbers, then, may be directly contributing to children being matured in situations which will stunt many aspects of their development.
3. Many single parents on social assistance could work but are unable to do so because of the shortage of subsidized day-care services. They are, in effect, being denied the opportunity to support themselves and their children.

The newly completed "Position Paper on Public Assistance Incentives in Alberta" does give some attention to the need for day-care services in the Province of Alberta. The expression of this concern, however, does not appear to reflect the great urgency of the situation. Day-care services are already continuing to be expanded and at a rate which is obviously totally insufficient to meet the needs of low-income families. If this trend continues,

as is recommended by the Position Paper, we can expect to see another two or three centres opening their doors within the next few years. There is a need, however, for a great many centres to serve the hundreds of families which are now on the waiting lists of day-care centres, and the hundreds more who cannot even get their names on waiting lists because the lists are full. We would hope, therefore, that more than just a continuation of the current trend is being suggested by the Position Paper.

The Paper's concept of providing quality care for children of single parents who wish to work is laudable. It does not, however, consider the great needs of two-parent low-income families. These families are often forced to live in poverty because both parents cannot work due to the lack of subsidized day-care programs for their children. Parents and children in this situation require assistance from Alberta's Government as well.

RECOMMENDATION

That the Alberta Government recognize its most important resource - its children - by initiating a program of day-care centre construction which reflects the number of single-parent and low-income two-parent families needing such a subsidized service.

Changes in Taxation Policy

Generally speaking, the effect of taxation on income redistribution has remained constant over the last few decades. The share of Canada's total income possessed by the poor before taxes is virtually the same as the share possessed by the poor after taxes. The same, of course, holds true for the rich. If anything, the past few years have seen a slight decrease in the amount possessed by the poor.(25). Why?

In Canada, there is a heavy reliance by the Government on regressive taxes as a means of raising revenue. Sales tax, excise tax, property taxes, education taxes, etc., all take a higher proportion of income from the poor than from the rich. Even the new tax indexing plan introduced by the Federal Government for 1975 will, in the end, function as a regressive tax. Although it removes the burden of income tax from about 225,000 people, other taxpayers are granted a higher personal exemption.

Thus, the plan will still benefit the rich more than the poor as the saving to people with higher incomes will be much greater than the saving to those with low income.(26).

In addition to regressive taxation still figuring importantly in the question of the working poor, there has been a continuation of the trend which has seen the effective tax rate of the rich much lower than it should be if we are to achieve a redistribution of income. Much of the income of the wealthy is still excluded from taxation, such as fringe benefits (company cars, expense allowances, etc.) and capital gains are taxed at a much lower rate.(27).

It is necessary, then, to restructure the taxation system in order to ensure that it becomes more progressive and actually takes more from the rich than from the poor. Surely that is in keeping with public opinion in Canada which holds that a decent standard of living is everyone's right.

Canada's Royal Commission on Taxation suggested the solution to this problem in 1966. Tax credits in place of exemptions would achieve the desired goal. A tax credit would give the same refund to each taxpayer, with an additional flat-rate credit for each dependent. Thus the poor family of four would receive the same credit as the rich family of four. Such a tax credit scheme, however, would give no benefit to the non-taxpayer and a reduced benefit to those whose taxes were less than the tax credit itself. For these groups, the benefit would be given in the form of a tax refund. The non-taxpayer would receive a refund equal to the tax credit and those whose taxes were less than the tax credit would receive a refund equal to the difference. The combined tax-credit-refund scheme is frequently called a social dividend. It would alleviate the effects of inflation equally for all citizens and the rise in the cost of living.(28).

Although the responsibility for implementing an over-all tax credit scheme would belong to the Federal Government, the Government of Alberta can and should adopt a position that would indicate support for this plan. The on-going talks between the Federal and Provincial Social Welfare Ministers would be an ideal place to consider this extremely important point. If the talks are to arrive at a workable solution to the problems of poverty, then the issue of taxation must be recognized as a basic one.

Furthermore, Alberta's Government has, in its powers allotted under our constitution, certain taxation powers of its own. As such, it is within the realm of possibility that certain modifications to our own provincial taxation system can be made.

RECOMMENDATION

1. That the Provincial Government commit itself to a greater reliance on progressive measures of taxation by depending less on sources of revenue which stem from regressive taxes.
2. That the Provincial Government indicate interest in and stimulate discussion around the issue of taxation as it relates to poverty at the Federal-Provincial Welfare Ministers' talks.

Changes in Policy Regarding Social Security

Basically, Canada's social security programs have remained the same over the last few years, with the exception of Family Allowance and Guaranteed Income Security.

Family Allowance

Benefits for Family Allowance were raised substantially in January, 1974. They are now taxable under the new program and as a result, some degree of selectivity based on income will be achieved. Lower income families will have a larger net benefit than higher income families. Despite this fact, the program will have only a marginal impact on over-all poverty; unattached individuals and the aged or couples without children receive no benefit at all.(29). In addition, Family Allowance payments continue to be demogrants; that is, they are payable to all families with children under eighteen. This means, then, that regardless of total family income, the presence of dependent children assures a family of a monthly cheque. This leads us to our main recommendation concerning family allowances.

RECOMMENDATION

That Family Allowances be allocated on the basis of need as determined by total family income. The amount of income suggested for the standard, below which families would receive a family allowance payment, should be the Senate Poverty Committee Poverty Line (updated). Once again, this recommendation is intended for consideration by the Federal-Provincial Welfare Ministers' Conference and as such, for presentation by Alberta's delegate.

Changes in the Guaranteed Income Supplement

According to changes in Federal Government policy, the Old Age Security Pension and the Guaranteed Income Supplement are now increased quarterly to take into account increases in the cost of living. In addition, recent months have seen an increase in the basic rates. Despite these changes, the fact remains that income security programs directed toward our over-65 age population are guaranteeing a poverty line existence to the over half of Canada's old people who need to receive the supplement.

Part of the problem in this area stems from the fact that the Old Age Pension is assured to all those over 65, regardless of their financial circumstances. Here again is a situation similar to that concerning Family Allowances, where payments are received (in this case the Old Age Pension) by those who do not necessarily need them.

RECOMMENDATION

1. That the Old Age Pension be abolished, thus freeing over one-quarter of a million dollars to increase the amount of the supplement, which goes only to those in financial need.(30).
2. That Alberta's Minister in charge of social welfare as our delegate to the Federal-Provincial Conferences bring these concerns to the attention of the Conference.

Although the Old Age Security-Guaranteed Income Supplement program is Federally administered, strong support from Alberta for an income-selective program would be important in influencing Federal policy.

No Change in Unemployment Insurance

Changes in the past few years concerning the Unemployment Insurance Act have had no real effect on the state of the poor in Canada. The changes in basic qualifications and the increase in benefits do not get at the crux of the matter - the need to provide benefits to those most in need. At present, individuals can receive benefits even though they may have a high income from the year from employment or other sources.

RECOMMENDATION

1. That the Unemployment Insurance Act be changed to provide benefits only when the total family income for the year falls below the average family income for a given family size. In this way, the plan would pay benefits only to those whose family income was below the average standard as a result of their unemployment, rather than to those who are unemployed, whether they have an income deficiency or not.(31).
2. That the Government of Alberta take such proposed amendment to the Federal-Provincial Conference table for discussion.

Movement Toward a Guaranteed Annual Income

It is encouraging to note that there has been some movement in the last year toward consideration of a guaranteed income scheme on a nation-wide basis. It is, however, still in the discussion stages and presently, the details of such a plan are the subject of considerable debate. There are questions about the level of benefit, about whether or not it should be a two-tiered plan and about how employment programs should relate to this plan. The fact that some of these questions are even being raised indicates that some serious mistakes may occur when the plan is actually put into practice.

To consider them here is beyond the scope of this report. The questions and concerns, however, have been well-documented in a report issued by the National Council of Welfare in a publication entitled "Incomes and Opportunities". It takes a close look at the Federal Government's Working Paper on Social Security and deals with many of the questions that have been raised about the Paper in recent months.

RECOMMENDATION

1. That the Alberta Government, through its delegate to the Federal-Provincial Welfare Ministers' Conference, become familiar with the National Council of Welfare's analysis of the Federal Government's Working Paper on Social Security. (Incomes and Opportunities, a commentary by the National Council of Welfare on the Government of Canada's Working Paper on Social Security, November, 1973)
2. That Alberta's delegate ensure that points raised in the commentary are discussed by delegates to the Conference.

FOOTNOTES

1. Alberta Statistical Review, November, 1974, p. 16.
2. Alberta Fact Sheet, Alberta Treasury, Bureau of Statistics, August, 1974.
3. Income Distribution by Size in Canada, Preliminary Estimates, 1973, Statistics Canada.
4. "The Public Assistance Food Allowance Increase", Edmonton Social Planning Council, June, 1973, p. 1.
5. Ibid., p. 1.
6. Income Distribution by Size in Canada, Preliminary Estimates, 1973, Statistics Canada.
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