



Poverty — A Major Issue Confronting Canadians, 1969

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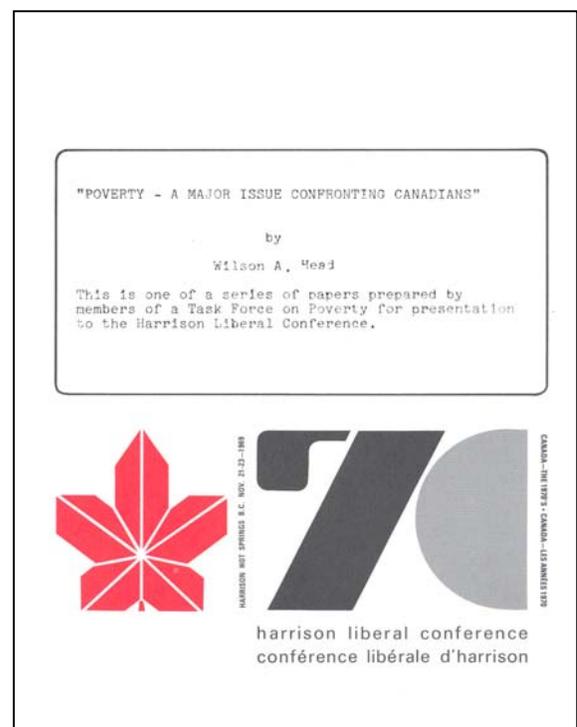
Summary

Poverty must be defined in economic and psychosocial terms. Economically, the poor earn less than \$4,200 annually for a family of four (Economic Council of Canada standards)—insufficient income to meet the basic needs of life. Psychosocially, poverty and the resultant powerlessness perpetuate alienation, despair and apathy, as well as various forms of deviant behavior.

Canadians have developed a very complex but totally inadequate welfare system. First, by humiliating and degrading recipients, the system causes the unfortunate people who require help to be stigmatized. Second, no attempt is made to help recipients to develop the skills and attitudes necessary to become self-supporting.

Widespread poverty exists in Canada, not because of individual inadequacies but because of an economic system which utilizes technological invention—often at the expense of the individual worker—to the maximum degree in its pursuit of increasing production and profits.

To effectively combat poverty Canadians must face the problem, examine reasons for its existence and support programs which will eliminate it quickly. The poor must be consulted in the development of these programs. Grants should be made on the basis of need and merit. A guaranteed annual income based upon a negative income tax seems the best and most simple way to get purchasing power into the hands of the poor. In addition to these measures, social institutions (e.g., schools, courts, etc.) must end discrimination against the poor.



Society has failed to meet the basic needs of many of its less privileged and many of its most privileged populations. For its own safety and well being society must move toward the abolition of poverty. A major function of government must be the full use of its powers to eliminate poverty, to eliminate the unjust tax structure along the lines of the Carter Commission Report, and to help the poor achieve a place of equality in both the social and economic structure of society. This will be the first step in the evolution of a cooperative society in which men will work together for the common good.

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## **Poverty — A Major Issue Confronting Canadians**

This paper, addressed to the Liberal Party of Canada for its Preparatory Planning Policy Conference on November 21, 22 and 23, 1969, will attempt to outline some thinking and ideas concerning the problem of poverty in Canadian society. Poverty must be defined in at least two general terms—the economic and the psychosocial. Current discussions and concerns about poverty have provided us with considerable information about the economic aspects of poverty. The Economic Council of Canada has performed a major service to the country in spelling out in dramatic terms the fact that poverty exists on a large scale in our affluent society. The Council indicates that there is “more poverty than our society can tolerate—and far more than existing measures can cope with.”

### **Meaning of Poverty**

Poverty means that an individual or a family does not have sufficient income for meeting the basic needs of life—the need for adequate food, clothing, shelter, medical care, etc. It means that the children of the poor do not attend school as long as other children, they suffer from poorer health, they live in poorer housing, and they become more alienated than the children of the middle class and other more affluent groups. Poverty breeds ill health, crime, and other forms of deviant behavior. Poverty perpetuates alienation, hopelessness, despair and apathy. Poverty results in wasting vast amounts of the nation’s human resources. The children of the poor, particularly those poor who live on pitifully inadequate welfare payments, are badly handicapped in terms of their ability to learn and to compete in educational institutions, and are thus further handicapped in getting out of poverty. Having subjected the poor to such handicaps, the more affluent sections of society then blame the poor for lack of motivation, for unwillingness to work, and for accepting welfare.

One of the outstanding characteristics of the poor in psychosocial terms, is their powerlessness. The poor do not have the necessary skills and knowledge to fight for their share in government grants and subsidies which are so freely available to the more affluent groups in society. These grants and subsidies are not generally provided on the basis of merit but rather on the basis of power and influence.

We must also define poverty in terms of its duration. For example many of our University students may be classified as temporary poor. The University student, the student in medical schools, or schools of law, and other professions, may live on a very limited income for a few years. But they are not the real poor, they are quite well aware of the fact that they will be out of school in a few years and will join the ranks of the affluent middle class. The real poor, on the other hand, have no such hope. Twenty-five to thirty percent of the Canadian population are classified in the latter group. These are the individuals and families who earn less than the in-

come necessary for meeting the basic necessities of life in a modern industrial society. They are the welfare recipients, those who are crippled, the mentally retarded or mentally ill, the Indians on the reservations, the aged who live on pensions and other fixed income, the unmarried mothers and deserted wives with families, and many native born Canadians. They include members of some ethnic groups who do not possess the educational skills and qualifications required to earn a decent salary in a modern technological society. This latter group perform the unskilled jobs: they are the janitors, the floor scrubbers, the garbage collectors, the ditch diggers, the street cleaners, and other dirty jobs. They have little or no hope of getting out of their condition. They know that, at this moment, neither government or industry has demonstrated any serious interest in helping them.

### **The Working Poor**

The vast majority of these poor people are working people, not welfare cases. Even when they earn the minimum wage in a rich province such as Ontario, and many of them don't even earn the minimum wage, they still exist in poverty. For a forty-hour week, this amounts to a gross pay of \$52.00 per week, or \$2,704 per year. The usual deductions for income tax, pension, retirement plans, etc., reduce this amount still further.

The Economic Council of Canada has suggested that the minimum income for a minimum standard of living in Canada is \$4,200 for a family of four: man, wife, and two children. Other authorities have suggested different figures, but in general the authorities are not far apart in their definitions of income need. The simple fact is that even earning the minimum standards, as set by a wealthy province like Ontario, would still leave a man with a family in poverty.

Poverty is, of course, a relative term. The poor villager living in rural India or some other part of the under-developed world, would be considered wealthy if he earned \$2,700 a year. Any definition of poverty must be related to the standard of living of the country. Regional and local differences must also be recognized.

### **Welfare System**

Over the years Canadians have developed a complex welfare system in an attempt to deal with some of the problems of those who, for a variety of reasons, require financial assistance from the public. Many of these individuals suffer from handicaps which require that they become public charges for the remainder of their lives—the crippled, the mentally retarded, etc. We have developed a very complex welfare system based upon many categories of need. For the most part, this system has provided meager and totally inadequate sums of money to those who meet eligibility requirements developed by various governmental departments. We have general welfare assistance, aid to deserted wives and children, aid to the blind, etc., etc. In general, these programs have had two basic characteristics: First, they have stigmatized those unfortunate individuals and families who require help. They have, it would appear, deliberately set out to humiliate, degrade, and destroy the human dignity of recipients.

To apply for welfare assistance is usually a harrowing experience in almost any Canadian city. The old "means test," and the more recent "needs test" used to determine eligibility matters very little both stigmatize those who seek welfare assistance. The strange thing about this situation is the fact that few students, business men, farmers, and others who get governmental subsidies or grants are stigmatized. But then poor people don't have power, and their powerlessness is a direct cause of their stigmatization.

Second, these programs have rarely been designed to help individuals and families develop the skills and attitudes necessary to become self supporting. The amount of money provided, as indicated earlier, is meager and totally inadequate for maintaining a decent standard of living. The stigma attached to aid encourages self hate and demoralization rather than self respect and hope. Further, until recently there was almost no encouragement for an individual or family go out and get part-time work or even a low paying job. If the son of a family on welfare went out and earned \$5 per week, this amount was deducted from the weekly allotment. The result was that it was more appropriate and certainly more profitable in many instances for families to leave low paying jobs and go totally "on welfare."

### **Poverty as a Structural Aspect of Canadian Life**

While it is now generally recognized that widespread poverty exists in both rural and urban Canada, it is not as generally recognized that poverty is, to a large extent, a product of the Canadian economic system.

Canadians, like Americans, have tended to view poverty as a result of individual inadequacies. Most programs are based upon these assumptions. Individuals and families are considered as being poor because they are "lazy," they "lack ambition," they "don't want to work," etc., etc. The fact that the Canadian economy is growing most rapidly in those sectors which employ the highly skilled and the well educated is overlooked. The fact that large numbers of unskilled workers are being displaced by automation and cannot find other unskilled jobs is easily forgotten. The fact is that increasing machinery and more efficient farming is driving unskilled laborers from the farms and into the cities to join the ranks of the unskilled and unemployed urban workers. On the urban scene, the modern corporate industrial system has been able to increase production many fold while, at the same time, using fewer unskilled workers. The result has been that the unskilled worker has been cast aside by the economy and has been a casualty of the system. Thus increasing affluence for the educated and highly skilled is matched by the increasing poverty of those who are unskilled and under-educated. Instead of accepting its responsibility for retaining and maintaining its workers, modern industry has been remarkably successful in turning this responsibility over to government. Having achieved this success, modern industry and other commercial enterprises complain about having to pay higher taxes for welfare programs required to prevent their casualties from starving. In many ways this has been a remarkable victory for corporate enterprise; it can eat its cake and have it too!

In short, widespread poverty exists in Canada in the midst of affluence, not because of individual inadequacy or original sin, but because of an economic system which utilizes technological invention to the maximum degree in its pursuit of increasing production and profits. The individual worker is dispensable when the machine can do his job more effectively and efficiently. Therefore programs based upon the assumption of individual inadequacy, aside from individuals who suffer from various types of handicap, i.e., the aged, the crippled, the mentally ill, etc., are not likely to have more than limited impact upon the incidence of poverty in Canada. The move from this unreal attitude to a more realistic attack upon poverty will require a dramatic shift in Canadian values.

### **Basic Principles**

First, a realistic attack upon poverty will require that Canadians face squarely its scope and nature in this country. Second, Canadians must be willing to examine squarely the reasons for the existence of widespread poverty in the midst of a generally affluent society. Third, Canadians must be willing to support programs designed to eliminate poverty in the shortest possible time. Such programs must, as a first principle, be developed in consultation with those who suffer

from the present situation. The poor, while holding no monopoly on the skills and attitudes required to devise such programs, must be consulted and their support enlisted if there is to be any possibility of success in this effort. Unfortunately there have been very few instances in which middle class experts have bothered to consult with those whom they have wanted to help. But such consultation has now become a necessary requirement.

Second, the principle of making grants, whether in the form of tax exemptions or more direct payments, as, for example, to large farmers for not growing wheat and other produce, must be made on the basis of need and merit rather than on the basis of power. While the poor don't have the skills and organizational ability to influence legislators and government officials, they do possess the power to disrupt society by violence or the threat of violence. Generally speaking, violence is resorted to when other more legitimate forms of redressing grievances are blocked or denied. It is in the best interest of the political parties, industries, commercial establishments, and the society generally that the various impoverished groups begin to feel that there exists in Canada the will to take effective steps to abolish poverty.

In general, present government subsidies and grants tend to be provided for corporations and influential individuals who need them least. There is no question that some of these groups need subsidies because of circumstances beyond their control, and because such subsidies may be effective in helping businesses to grow and to expand, thus creating new jobs for increasing numbers of people. But the case of subsidies for the poor is equally compelling. Poor people cannot buy and consume the products of increasing production. In addition to their other problems of alienation, hopelessness and despair, the poor need money. Thus far, a guaranteed annual income based upon a negative income tax seems the best and most simple way to get purchasing power into the hands of the poor. A most important consideration is that a guaranteed annual income will greatly reduce the need for the present welfare system. There will be few tears shed if it could be abolished entirely. We have heard all of the old cliches: "If everyone has a guaranteed annual income, people will not work." Or, "everyone will leave their jobs and live off the backs of the taxpayer," and ad infinitum. The fact, so often ignored, is that today men have become so accustomed to work and to defining themselves by work that, even when working hours are shortened, men increasingly engage in "moonlighting." Modern man has been conditioned to work; many view retirement as a curse rather than as a blessing. Whether these considerations are valid or not is not important—the important fact is that modern society, for its own safety and wellbeing, must move toward the abolition of poverty.

Third, social institutions must end discrimination against the poor. In general, the poor are discriminated against in the educational system by being provided poorer schools and educational programs. The poor generally do not get equal justice in the courts. The poor man goes to jail far more often than the middle class lawbreaker and his sentence is usually longer. He cannot provide bail as easily, and spends more time in jail. He is, according to a number of American studies, classified more often as mentally ill and committed more frequently to public mental hospitals. He is more often taken advantage of by those whose education and training enable them to exploit him.

Perhaps the most important requirement in this area is the need for dramatic change in the policies and practices of the voluntary and public social agencies. In general, social agencies have rarely attempted to help the poor escape from poverty. Members of the middle classes who dominate the boards of directors of voluntary agencies, and the governmental officials who control the public agencies, generally do not view their jobs as changing society but as helping people to adjust to it. It is becoming increasingly clear that recipients of the services are growing impatient with their exclusion from the control of the agencies which presumably are organized

and operated for their benefit. The emergence of organizations of welfare recipients, newly emerging organizations of tenants' councils in some cities, and the increasing demand of recipients of service for representation on the boards of social agencies reflect this new demand for recognition and acceptance. Fourth, these developments, plus the increasing rejection of the values of modern industrial society by many members of the middle class, including the young university educated "elite," demand that government begin immediately to read the signs of a widespread social revolt in Canada. This revolt is occurring in both the so-called "democratic" and the so-called "communist" countries. Both types of societies have failed to meet the basic needs of many of their less privileged and many of their most privileged populations. We are witnessing a "crisis of values" in which the new affluence is viewed by many as meaningless and empty. Alienation affects the poor and the rich. Any country, including Canada, which loses the allegiance of its best educated young people is in serious trouble.

A major function of government must be the full use of its powers to eliminate poverty, to eliminate the unjust tax structure along the lines of the Carter Commission Report, so that the poor are not taxed unfairly while the rich are enabled to escape taxes on much of its earnings, to provide for equal justice for all, and to help the poor achieve a place of equality in both the social and economic structure of society. This cannot be done as long as government policy is based upon an acceptance of inequality for the poor and special privilege for the rich and powerful. These inequalities and privileges are seen far more clearly than at any time in the past, and they are simply not acceptable any longer.

For too long, most political parties have been composed of people of money and power who used the party to promote their own vested interests at the expense of the poor. It is doubtful if this situation can continue much longer. Today the poor are demanding a voice in decisions affecting their lives.

Finally, this evolving situation may easily result in simply adding another voice in the competing groups who attempt to dominate society and government for their own benefit. The achievement of justice, the elimination of inequalities, must be viewed as only first steps in the evolution of a cooperative society in which men will work together for the common good. This is the long term, but inescapable condition of a worthwhile life for men and women on this planet.



Dr. Wilson A. Head migrated to Ontario from the United States in 1959. In Ontario, he worked as director of various community service departments and in 1965 became director for the Social Planning Council of Metropolitan Toronto. Dr. Head co-founded The Urban Alliance of Race Relations and became its first president. Later he was made an executive of The Metro Committee on Race Relations and Policing. Dr. Head received the Harry Jerome Award and an honorary doctorate for his untiring fight against racism, and his commitment to human rights.