

Intelligence MEMOS



In the C.D. Howe Institute's inaugural Regent Debate four prominent voices sparred over the following question: Should Western democracies, such as Canada, establish a universal basic income? Today, former senator Hugh Segal's argument in the affirmative.

I will be humble in my presentation except to say this: Janice (MacKinnon) made some very good points. None of them relate to the issue at hand. The issue at hand is that democracies survive because there's a basic sense of fairness within the structure of those democracies, and when that sense of fairness goes that's when you face instability and other difficulties, which are substantive.

Poverty, as my colleague (Paul Begala) said, is actually about *not* having enough money. There's a notion that, "Oh, there are many complex causes to poverty. We have to get at them and if we took every penny that the provinces and the federal government had and we spent them against all those problems, we couldn't solve them."

But we can actually solve poverty by topping up the incomes of people who live beneath the poverty line so they can live a slightly better life.

And when people say, "We can't afford this," colleagues, (recall) the '07, '08 economic meltdown. Canada according to my prime minister, did **not** bail out the banks. Remember that? We did not bail out the banks. But we found \$362 billion in Central Mortgage and Housing to buy perfectly good mortgages off their balance sheets so they'd have the liquidity they needed because of the liquidity meltdown in the United States. So it wasn't a bailout. The mortgages were performing. They're of value to the taxpayer as we sit here. It wasn't a bad thing to do.

But if we can find liquidity for the most powerful parts of our economy, what about the low end of the population? The 9 percent living beneath the poverty line? The 15 percent in rural Canada? The numbers in the Atlantic region are worse. What about our First Nation brothers and sisters who are at Third World levels of poverty? We have liquidity for the banks; we don't have any liquidity for them.

And [this is] the core question that democracies have to address, because, as we stand here and sit here tonight, there is now an alternative model out there: our Chinese friends, our Russian friends. You can have economic growth and expansion, One Belt, One Road and all that stuff. The only thing you don't need is pluralism, tolerance, and democracy.

The (now-ended) top-up being tested in Ontario reminds me of what we did for our senior citizens in 1975 [with the Guaranteed Annual Income System (GAINS)], reducing the level of poverty from 35 percent to 3 percent in three years. And that came from William Grenville Davis (who) was something called a "progressive conservative." – I know we don't remember what that meant.

But that is the challenge that we have to face. And the notion that we can't afford it is like saying we're not prepared to fight a disease which destroys the fiber of our society.

For a full video of the debate, [click here](#).

The Regent Debate series is generously sponsored by Aaron and Heather Regent. The second Regent Debate is scheduled for this fall, with details to come.

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