

the rest of the population. Government participation in the training and care of mentally and physically handicapped persons seems to have been quite callously minimal to date.

For discussion purposes we would divide assistance programs into two broad categories: "personal" (such as individuals or families), and "regional" (such as industrial incentives, low cost housing, etc.).

It is observed that present personal assistance schemes all seem to discourage a recipient from attempting to achieve personal income unless it is significantly above the level provided by the assistance.

He can therefore easily become "locked in" to a situation where his income earning ability falls steadily farther below the assistance allowance available.

The Association suggests that such assistance should instead foster and encourage personal initiative with "income incentives" which would reward and subsidize personal income on a diminishing scale which would phase out at some acceptable minimum income level. We feel the terms "negative income tax" or "guaranteed annual wage" for such assistance seem as inappropriate as would be the terms "negative corporation tax" or "guaranteed annual profit" for industrial assistance; however, it does seem appropriate that such a scheme be administered under the Income Tax Act to minimize administrative costs.

It is suggested that a program could be arranged to provide a fund for current monthly personal income assistance based on a formula similar to that used for installment tax payments by self-employed persons (i.e. based on the previous year's reported income). Such a fund could be readily incorporated into personal income tax returns for the current year.

Effective administration of such a program under the Income Tax Act would most likely require coordination through local Canada Manpower Centres for individual personal assistance in obtaining benefits.

I would like to vary from the written brief a little but at this point to add an up-to-date note of the dismay of our members regarding the apparent duplication of personal assistance schemes which tended to cloud the real purpose of each individual scheme and must surely be confusing to both the recipient and the donors as well and which adds tremendously to the administrative costs and there-

fore reducing the general effectiveness and productivity of the whole scheme.

An example of this on which our Canadian Council of Professional Engineers has already commented to the Federal Government is the proposal of the Unemployment Insurance scheme, with which we do not necessarily disagree in principle, but which appears to be coming another body of tax for the purpose of adding to more welfare systems and surely could be more efficiently incorporated into the general scheme as we have just outlined.

Regional assistance programs, based on specific planned objectives, tend to be more constructively coordinated. However, unless followed up with appropriate training programs, some industries so attracted result only in an influx of higher paid personnel most of whom were already employed. This causes a statistical improvement in average income in the area with little or no effect for the man "locked in" to the personal poverty situation except a higher cost of living and an even lower community status.

Avoidance of such situations requires the simultaneous analysis of manpower availability and trainability to ensure the maximum initial use of low-skilled labour combined with on-the-job training, and facilities for more advanced education and training for the succeeding generations. These considerations should be primary criteria for the selection of industries to receive government incentive assistance.

It is considered that training programs cannot be overstressed as the most effective means of alleviating poverty. Engineers of the Atlantic Area well know the frustration of suffering trained manpower shortages during general unemployment rates of over 10 per cent. No better utilization of assistance funds can be suggested than to provide training programs designed to upgrade unemployed persons to fill jobs being created by the industrial development.

Encouragement of individual "entrepreneurship" should not be lost in the race for "showplace" industries. Talented individuals, given minimum incentives and professional assistance, can often develop local industries which are not attractive to large corporations, but which provide relatively immediate returns to the community involved. The effect of such developments on community and individual spirit is obvious.

In summary this Association shares the belief that all Canadians have a right to a