

*Supply*

produce any incentive to get the welfare recipient off welfare and give him back his self-respect. The head of a household cannot hold his head high when he is not in fact the breadwinner. Yet the current rules in many cases penalize the citizen who tries to supplement the family income by working. It simply results in a net loss of income.

Perhaps this might be a propitious time for me to decry the unfortunate habit that more and more people, among them some of the media, are adopting in referring to the unemployment scheme as welfare. One hears all too often reports about "unemployment insurance and other welfare projects". To those who take anything other than the most cursory interest in the unfortunates of our society, it is crystal clear that unemployment insurance is totally different from welfare. For one thing, the benefits are much higher. I hope that this slight digression will be forgiven, but it always bothers me when these two schemes, quite dissimilar in concept, are considered to be similar. It distresses me particularly when it appears to be part of an over-all plan to have them considered of the same genre. It is, of course, symbolic of the floundering and confusion of the self-appointed elitists of the treasury benches that they are confused when faced with the realities of life in the real world, the working world.

I realize that trying to sort out the crazy-quilt, the overlapping of one scheme with another of the alleged social programs of this government, is not easy and I should like to see this government present a plan to simplify the mess. May I suggest that the Progressive Conservative income development plan should be studied. There are many distinguished observers of the economic and social scene who are writing learned papers concerning such concepts as the income development plan.

Methods of achieving the goals of the income development plan are sometimes different. The one that seems to me to be the most promising if one values simplicity, and I do, is the negative income theory. It seems to me that if a simpler system were devised we could then redeploy our scanty numbers of trained social workers into the fields for which they are trained. These specialists should be free to counsel those who need counselling, to help the helpless, to encourage the discouraged. Skilled social workers at present spend far too much of their valuable time assisting the less fortunate to decipher, to decode the latest ukase from Ottawa to determine under which rule the needy can be kept warm, the hungry fed.

When considering what may be to this government the problem of the poor and, to more understanding members, the plight of the poor, the House should bear in mind that the poor do not live under rules and laws devised by the poor. They live under laws and rules devised by other people. They do not ask or wish to be poor. I have no doubt that all the poor people would prefer not to be so. But they do not make the rules of the game. We do. If our country is as rich as we like to boast it is, we are doing a remarkably bad job of handling its finances.

We simply must find a way to enable these people to break out of the financial ghetto in which we incarcerate them. They do not want, and surely we do not want, merely to keep them existing in perpetual poverty. Can we never find a way to give them what is most needed—

[Mr. McKinnon.]

which is hope, not charity? They do not ask to live in idleness; they do not want to be considered different and inferior; they want to join the rest of our society. Let us help them.

I would now like the House to consider for a few minutes the leverage effects that welfare costs have on the municipalities, towns and cities that are required to find part of the money needed to finance welfare, although their role is so proscribed as to make them unable to do anything about the primary root cause of it all which, of course, is the ailing economy.

Under the present financial agreements and arrangements, municipal authorities' taxing fields are so narrow, and within their narrow confines are now so high that extraordinarily heavy burdens fall upon home owners and small businesses. When an emergency situation exists, as it does at present, and welfare costs rise and the cost of municipal sharing rises, where are the municipalities and small towns to raise funds? Traditionally, their revenue comes from property taxes and business tax. Many of them are too small to be able to put on sales taxes. The cost of administration requires a larger base.

Municipal revenues do not rise automatically as the federal government's revenues rise. The federal government can now count, or almost count, on having a substantial increase in revenue without raising taxes at all. The increased revenue will flow in automatically due to the inflation that they have brought about and we are fast approaching the stage at which the federal government will feel if they need more revenue they simply have to increase inflation.

As was pointed out by our leader during the recent campaign, the government is the only organization in this land that has a vested interest in maintaining an inflationary spiral. I know that their cost-sharing arrangements and grants do help in a sense and that the federal government always keeps the lower levels of government in a subservient position. The lower levels of government always must come like children, cap in hand, to the rich uncle in Ottawa to beg, wheedle and negotiate for next year's allowance. "Big Daddy" here in Ottawa decides how much he will dispense, always on a short-term basis.

• (1520)

Anyone who has been involved in the collection and disbursement of funds at the municipal level—and many of us in this House have—and those who have apprenticed on school boards or city and municipal councils soon realize that there are at least two kinds of money in this country. There is the very hard money, the closely accounted for money, the money whose expenditure requires full explanation. That is the kind of money that municipalities get from their ratepayers. Then there is the other kind, the kind that has a sort of unreal quality similar to Monopoly play money. It is collected in ever increasing quantities without any relevant requirement ever being considered or discussed. That is the automatic inflation that causes the increase and is never approved.

It is disconcerting, to say the least, to pare a school district budget by enlarging the pupil-teacher ratio, a Draconian measure indeed, and then suddenly to discover that a spur of the moment federal program will pour