

[English]

**Mr. Bell:** Mr. Speaker, may I say that we have been giving permission to the ministers to take an extra five or ten minutes, and this is certainly all right, but may I suggest that questions should not be put from this side following the extended time. So, we are agreeable to the minister having a few more minutes to complete his speech.

**Mr. Knowles (Winnipeg North Centre):** Mr. Speaker, we, too, are agreeable to giving the minister a few more minutes to complete his interesting statement. We wish, however, that he would use some of that time to give us some precise information as to what the government intends to do within these broad principles.

**Some hon. Members:** Oh, oh.

**The Acting Speaker (Mr. Laniel):** Is it agreed that the minister continue his remarks?

**Some hon. Members:** Agreed.

**Mr. Lalonde:** I thank hon. members for their understanding and kindness in allowing me a little more time. I will try to complete my remarks in as little time as possible and answer all the points that have been raised, Mr. Speaker.

[Translation]

Moreover, I said that there must be a link between the social security system and the taxation system. The basic hypotheses related to the possibility for single people and families of paying taxes on one hand and to their need for a supported income on the other hand should be considered as components of the same problem. Efforts should be made in order to set up income security programs reaching the objectives within a relationship of interdependence with the taxation system itself.

It is also important to recognize that there are numerous forms of redistribution of income in Canada and that the social security legislation must be approached in the context of the global system: taxation laws, redistribution of certain services such as medical and hospital care, equalization payments to the provinces, regional economic expansion programs and so on. If Canada wants to reach the goals it has set for itself in the realm of social security, it must find the best way of grouping these components.

• (1620)

Lastly, we must take into account the possibility of a conflict between, on one hand, the natural aversion of Canadians for an increase in the general level of taxation and on the other hand the concern that the various governments should have on behalf of all Canadians concerning the improvement of the help given to the poor. It is obvious that desirable goals whatever they may be, whether in the public or private sector, cannot be reached without the necessary resources. We have not discovered yet a magic wand or an alchemical formula allowing us to reach economical or social objectives effortlessly. We mean that the government must undertake a redistribution of resources and that it will take the necessary steps in order to carry out the desirable reforms in social pro-

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grams. However, that redistribution of resources will only be undertaken after having carefully taken into account the present requirements in various fields and the main social priorities.

Having asserted the conviction of the government that the provinces, in co-operation with the federal government, should review the entire social security scheme in Canada, and having stated the principles which we feel should be adhered to while that review is under way, allow me to explain the procedure we propose to the provinces.

First of all, the principles that should govern the revision should be discussed with the provinces at a federal-provincial conference. We would also hope that those principles would also be discussed extensively by the public, as well as studied by the representatives of federal and provincial governments.

Secondly, the federal government would suggest, after consultation with the provinces, that it develop a theoretical model for a social security system towards which all efforts would be aimed. We would also welcome all alternative models proposed by the provinces, singly or collectively. In that way, we would be assured of seeking the best solution and those proposals would, of course, be debated during a series of federal-provincial conferences should several conferences be needed.

May I add that we will not suggest that, to achieve this revision, an independent semi-autonomous federal-provincial commission or secretariat be created which would be vaguely responsible to the federal and provincial governments.

Lastly, I am convinced that the provinces will agree on setting a time limit for this study. I shall suggest a maximum period of two years to the provincial social welfare ministers. The federal government would be willing to speed up the process if the provinces so wish. In any event, I feel it would be possible, in that period of time, to develop an objective or the prototype of a social security system, and elaborate specific plans to enable us to attain that objective or use that model.

However, this government wants to assure the Canadian people that this global review of the social security system will not bring everything to a standstill during that period. Indeed the pursuit of a better integration should not lead us to disregard, even temporarily, the citizens' welfare through the existing programs.

This government has committed itself to introduce a new guaranteed family income plan which would take particular care of the needs of low income families, because it recognizes that the institution of a just and equitable family allowance plan is a basic element of the social security system. Families whose breadwinner is unable to work need allowances to increase the income guaranteed by reason of their inability to work. Families whose breadwinner is able to work, as I said a moment ago, also need family allowances because their salary does not take into account their dependents.

Before the social welfare ministers' conference in April, we will introduce in the House measures to deal with the new guaranteed family income plan. When I shall have had discussions with my provincial counterparts and