

—a substantial seasonal capital works project to be undertaken in co-operation with the Provinces and municipalities

—special funding to increase direct employment by the Federal Government in labour-intensive projects.

The second part consists of measures that will add to the fundamental strength of the economy, can be acted upon this session and can be expected to have effect with a minimum of delay:

—amendments to the Income Tax Act, the Excise Tax Act and the Customs Tariff, reintroducing measures announced earlier

—major revision of the General Adjustment Assistance Plan, to enable industry to take advantage of opportunities for increasing our foreign trade

—aid to small businesses through new initiatives to strengthen management and consulting services and to improve access to financing facilities

—extension and improvement of the Industrial Development Bank

—measures to assist in the development of the tourist industry in Canada

—amendments to the Export Development Act, increasing the capital of the Export Development Corporation and raising the financial ceilings for lending, guarantees, export insurance and foreign insurance operations

—assistance to cooperatives and credit unions

—renewed measures to reduce deeply-entrenched regional economic disparities. The Department of Regional Economic Expansion will be decentralized to a greater degree to be in a better position to identify opportunities for economic development

—review of research and development incentive programs to improve their effectiveness in promoting innovation in the private sector of the economy, including examination of patenting, licensing and other policies related to technology

—measures to ensure further control by Canadians over their economy by the screening of foreign takeovers of Canadian-owned business; measures respecting the transfer of technology from abroad and access to it by Canadian entrepreneurs; measures to increase Canadian participation in the ownership and control of resource projects; and, in consultation with the Provinces, measures dealing with new direct foreign investment and the sale of land to foreigners

—measures that will restructure the Canada Corporations Act, including a requirement that a majority of directors of federally incorporated companies be Canadians

—the Government will meet with the provincial governments in the five regions of the country, to examine the impact of freight rates on economic development and

consumer prices. The railways have agreed to participate in these meetings.

Taken together these measures will contribute to the development and elaboration of a coherent set of industrial policies for Canada.

In the area of social policy, the Government considers that Canada's total social security system—including both federal and provincial elements—must be reconsidered and reorganized, and made more sensitive to the needs of people in different parts of the country.

The Government intends that this reorganization should be based on five principles which, taken together, comprise a statement of the Government's commitment in respect of social security.

First, the social security system must assure to people who cannot work, the aged, the blind and the disabled, a compassionate and equitable guaranteed annual income.

Second, the social security system as it applies to people who can work must contain incentives to work and a greater emphasis on the need to get people who are on social aid back to work.

Third, a fair and just relationship must be maintained between the incomes of people who are working at or near the minimum wage, the guaranteed incomes assured to people who cannot work, and the allowances paid to those who can work but are unemployed.

Fourth, it must be recognized that Provinces may wish to have the structures of social security vary in accordance with the social needs, income standards and the cost of living in different communities.

Finally, it must be accepted that the reconsideration of Canada's social security system must be conducted jointly by the Federal Government and the Provinces. A better social security system can only be realized if a reasonable consensus can be reached between the Governments of Canada and the Provinces. To this end, the Government will invite provincial representatives to a conference of welfare ministers in April.

Certain immediate steps will be taken by the Government, consistent with the principles proposed above. In respect of people who can work but are temporarily unemployed, legislation will be introduced to clarify certain aspects of the Unemployment Insurance Plan and to prevent abuses that have not been overcome by the administrative action already taken.

A fair and equitable regime of family allowances is fundamental to an efficient social security system. A new family income security program will be proposed that will particularly take into account the needs of the lower income families. Legislation will be introduced to improve the economic situation of old age pensioners.

Subject to the appropriate agreement being reached with the Provinces, changes to improve the Canada Pension Plan will be introduced to provide higher pensions