

security programs, more precisely to enable the needy members of the community to face inflation and price increases. This is in no way related to the existence of a guaranteed minimum income.

● (2140)

Indeed, in my opinion, if we had to carry out not only the proposal as introduced in the House but also the specific proposals put forward by the hon. member for Champlain this afternoon, far from reducing inflation or obtaining a protection against it, I respectfully suggest that we would register the highest inflation rate ever experienced in this country and I will explain.

In its last report, the Economic Council of Canada, which is made up of many important representatives from all sectors of Canadian life, emphasized the necessity to maintain a reasonable rate of increase in social transfer and social benefit payments. Hon. members will recall that the Economic Council of Canada had suggested a rate of approximately 11 per cent a year. The Economic Council indicated also that if we maintained an excessively high rate of increase for these benefits, we would end up penalizing those we were trying to help, for it would result in a very high rate of inflation.

I have examined the proposals put forward this afternoon by the hon. member for Champlain who said that, although it may cost eventually a few billion dollars, this, did not appear to him to be of paramount importance. Although I admit this is only a summary evaluation, it is nevertheless close enough to reality, give or take a few billion dollars, according to my hon. friend's proposals.

His first proposal provided for a \$300 grant a year to every person aged 18 or under. This would represent an additional cost of about \$400 million a year.

His second proposal provided for the payment of \$1,500 a year to each person aged 18 to 60. This represented a supplementary cost of about \$16.5 billion a year.

His third proposal provided for the payment to all single people over 60 of \$250 a month and \$200 a month for the spouse regardless of his age. This proposal would represent a supplementary cost of about \$7.3 billion a year.

The fourth and fifth proposals provided for the same benefits to widows and invalids and, to be generous, I did not figure out the cost of that benefit, telling myself I should leave some aside in case I would have overevaluated these proposals.

Moreover, it is suggested to increase the tax exemptions to \$3,000 per individual and \$6,000 per couple, with a \$500 per child exemption. That would roughly represent a cost of \$2.5 billion to \$3 billion a year.

Once again, leaving aside the cost of proposals Nos. four and five, all this adds up to a cost of some 26 or 27 billion dollars. This is not too serious, since it is but 125 percent of the overall revenue and expenses of the federal government at the present time. So, this would be an increase, but since we have to get the money somewhere, my hon. colleague of the Social Credit Party proposes credit and the Bank of Canada as a solution, but let us forget about that for now. Let us suppose that the Bank of Canada does not want or cannot print all this good money, we would then have to increase all taxes and not only the income

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tax. We would have to double all present taxes to finance the proposals put forward by the Social Credit Party of Canada.

Apart from the economic and political difficulties, such a proposal, following the injection of those amounts in the economy, would give rise to an inflationary situation such as no country in the world has ever known. Yesterday I addressed an organization that was submitting some proposals and I accused its representatives of a possible lack of responsibility for not having figured what their proposals would cost. I realize that the suggestions I criticized yesterday were innocent compared to those made today and to the lack of responsibility shown by the Social Credit Party of Canada, if the members of that party are serious when they ask Parliament to enact such measures.

In fact, the social security review is under way and it is proceeding in a very encouraging way. The federal government can count on the co-operation of all the provinces and the study covers not only the principle of the guaranteed annual income, but also other aspects of social security. This afternoon, I heard with pleasure the hon. member for Vancouver Kingsway (Mrs. MacInnis) stress the fact that the guaranteed annual income is not in itself a panacea and that there is a whole series of other needs that we must continue to meet. And the idea that the guaranteed annual income will allow us to eliminate everything else is only a dream in colour.

Indeed, we will have to continue to assume a wide range of social services already in existence or that will have to be created. It is not because we will grant a guaranteed annual income to the handicapped people that we may dispense with rehabilitation services and retraining. It is not by granting a guaranteed annual income to the unemployed that the need of manpower training centres will be eliminated. It is not by awarding a guaranteed annual income to housewives that day nurseries will become useless. It is not by granting a guaranteed annual income that we will dispense with the responsibility of providing social services to meet all the individual needs, either physical or psychic, to enable people in various social circles to face a problem such as alcoholism, for instance.

Finally, we must review and examine social security on an overall basis, and not pretend that through one single step, we might easily change the world and come to a final review of the social security plan in Canada.

Mr. Speaker, I am pleased to emphasize that we expect to conclude within the anticipated time limit the work we are doing in co-operation with the provinces. I also wish to emphasize the fact that even though Manitoba is experimenting with a program of guaranteed annual income, this is not a reason for doing nothing or delaying the measures that could be passed.

The federal government as well as the provinces intend to implement all the steps that will be agreed upon in the review we have undertaken, and to act in future as we have done last year when we began an overall review of the social security plan. The government did not hesitate to put forward before this House specific proposals that became legislation and were passed by Parliament.