the form of a guaranteed income supplement rather than war veterans allowance. This is the kind of anomaly that needs to be straightened out.

• (3:20 p.m.)

If there is going to be a budget statement this spring by the Minister of Finance (Mr. Benson), the government could cope with this problem at that time. I strongly urge that something be done. The dollars involved would not be great, but to people with small incomes it is difficult to pay $20 or $30 income tax. It is unfair, wicked and unkind and I hope these income tax anomalies will be corrected.

When speaking on this subject a year ago the then Minister of Finance, now Secretary of State for External Affairs (Mr. Sharp), defended the practice. But the present Minister of Finance said that he would study my serious representations on this matter. The other night during the adjournment debate the answer was even more hopeful than that. I hope the government is becoming ashamed of its position. There was at least one debate initiated by an hon. member on the government side with regard to income tax paid by people between the age of 65 and 70. I believe many government members made representations to the government and I hope they will be dealt with during the course of this session.

I have said the steps proposed in my motion, such as raising the amount of old age security, cutting out the means or needs test and particularly putting in an escalation clause tied to wages and salaries or the gross national product rather than the cost of living, could be considered as steps toward the establishment of a genuine guaranteed annual income. There is no doubt in my mind that in a country such as Canada the day will come when we will have a genuine guaranteed annual income right across the broad range of our society. This will not happen overnight. It will not come into full bloom the first time, but a start must be made. I think the place to start is with our senior citizens.

I urge, Mr. Speaker, that there be no confusion between a guaranteed annual income and a negative income tax. My fear is that when the government talks about a guaranteed annual income it is thinking of using the negative income tax as a means to accomplish this. Some people think that these are so similar they are synonymous, but they are not. The key to a negative income tax is to have a person report his amount of income and then pay him the difference between that amount and some established level. No matter how this is dressed up, what name it is given, it is still a means or needs test. It is no better for the older people than it is for any other.

In my view the guaranteed income supplement has not been successful. It is a form of negative income tax. It is not a genuine guaranteed annual income. Under a guaranteed annual income the pension is paid without question. There is provision for an income tax structure which takes back the major portion or perhaps all in cases of people who do not require this pension. But the difference between these two approaches is very real. One is a glorified means test. The other is a genuine pension or income payment.

The best social security plan this country ever had was the old age security program we passed in 1951, but it was messed up with the guaranteed income supplement. During those years there was pride and dignity attached to old age security. We had to battle to have the amount raised from $40 to $46, to $55, to $65 and then to $75 a month. We are having to battle now to have the amount raised to $125 or $150 a month. But the principle was right in the original plan, and when you revert to a means or needs test you are taking a step backwards.

I plead with the government not to play around in its review with programs based on selectivity, but to give weight to a program with a genuine guaranteed annual income. The government should have this objective and start with the people who deserve it most, namely, senior citizens, war veterans and all our retired persons. These people deserve recognition for what they have done for Canada. They have a human right to share in the developments that take place during the period of their retirement, whether it is 5, 10, 20 or 25 years. The prospect of greater longevity today causes this problem to be more serious than ever. The problem is intensified by the speed at which prices and wages are rising. It cannot wait for a decade of review but must be dealt with now.

Mr. Speaker, may I point out that the 50th anniversary of a great event in the political history of Canada, the 1919 convention of the Liberal Party, will be celebrated in August of this year. I say this without tongue in cheek.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Fifty years of frustration.