**Mr. Knowles (Winnipeg North Centre):** Not at all; not at all.

**Mr. Munro:** Well, I think it is. A guaranteed annual income for all Canadians would be an income test program which covered all of the Canadian society.

**Mr. Knowles (Winnipeg North Centre):** That is a negative income tax.

**Mr. Munro:** Even on my hon. friend's definition of the difference between a guaranteed annual income and a negative income tax, you still have an income test. The guaranteed income supplement is a guaranteed annual income program which covers only that part of the Canadian society over the age of 66. On January 1 of next year it will be extended to cover all those over the age of 65. Are we being urged to abandon this form of program or are we being urged to extend it?

One of the arguments long advanced in support of such a comprehensive program is that it would do away with the rigid definitions of eligibility for inclusion in the various categories involved in a network of categorical programs. But this motion urges us to build higher the walls of the present categories in order to move toward an elimination of categories. Again, I cannot see how the one will lead us to the other. Which is it that we are being urged to do?

I said that much of the earlier debate and the present one on the future of income support measures revolves around the concepts of universality and selectivity. Selectivity was the essence of welfare in its infancy. Selectivity meant that those who sought welfare came hat in hand as supplicants. Selectivity meant proving need, often at a price of degrading, personal humiliation in order to qualify. I agree with the hon. member when he criticizes selectivity in that connotation.

Against this background the demands for universal programs which would apply equally to all and degrade none were developed. While universality in income support programs provided money to those who did not need it, it seemed the only way to get money to those who did need it without forcing them through a process of humiliation to get it. Clearly, I think the ideal form of program was one which concentrated its resources on those in need and did this without subjecting anyone to the humiliation of hat-in-hand supplication.

• (4:10 p.m.)

This issue was clearly confronted in 1966 and the result was a guaranteed income supplement. At that time many were urging an increase in the flat rate of old age security payments from $75 a month to $100 a month, The cost of this would have been $369 million and it would still have left several hundred thousand Canadian senior citizens with only $100 on which to live. A guaranteed income supplement, on the other hand, at a cost of only $235 million, was able to ensure that none of Canada's aged had less than $105 a month on which to support themselves. In other words, the universal approach at a cost 50 per cent greater would have gotten less to those whose need was greatest and whose need had been the very reason for the increase in the first place.

We were able to achieve this selective effect without the traditional form of needs or means test, because it was possible to employ a negative income tax approach. Applicants simply fill out forms similar to income tax forms, but instead of sending the government a sum of money calculated in relation to their income they receive from it a sum of money calculated in relation to their income.

This is the first negative income tax program in existence in North America and it is being closely watched in many parts of the world. To suggest that its income test feature be dropped is to argue for a 50 per cent increase in its cost without adding one cent to what is received by those who have no other source of income. Since I know the great concern of the hon. member for Winnipeg North Centre for those in our society who have least, I cannot imagine this to have been his intention.

I believe the figures show that in the past few years the government has greatly expanded its income support, not only to those on allowances but to many segments of our society. As the Canada Pension Plan continues to mature and the age of eligibility for the old age security and guaranteed income supplement continues to drop, this support will grow.

The motion suggests that there are anomalies in our tax structure, and clearly there are. As we all know, the question of revisions to our tax laws is one which has been receiving a great deal of attention from the Minister of Finance (Mr. Benson) in recent months, and the ending of such anomalies is one of the concerns of his present review.