

much has yet been done. I refer to the general concept of a guaranteed annual income.

As I am sure the minister is aware, much of the new or current thinking that is taking place among social workers and among some of our modern economists is in this very field. It is, of course, related to the tremendous technological changes which are taking place in our society. It is related to the fact that our whole way of life may well be changed by the modern developments that are taking place. The whole concept of our right to the enjoyment of goods and services being related to the number of hours of drudgery or other work which we do may in our time be replaced by the concept of a guaranteed annual income.

In fact, there are some very interesting books on this subject which I would be happy to recommend for the minister's bed-time reading while he is waiting for the Carter report. But all I wish to do at this point is simply to lay this basis for the specific question that I put to the minister.

When I speak, as others do, about a guaranteed annual income for all of our people, I have in mind that there are various ways of achieving it. Measures of social security are one of the ways in which it is done. An increase in the number of things, such as education and other services, which are provided free for all our people is another way to bring about a guaranteed annual income for our people. I hear some questioning in the background that I do not quite get, but I know there are some people who are afraid of this sort of thing and think it will do some damage to the human spirit. I think the very opposite. I believe that the more we free people from drudgery and insecurity, the better will our people respond.

However, Mr. Speaker, it is not my intention in a seven-minute overtime period to launch too deeply into the philosophy of the future. I simply wanted to lay this general basis for one of the ways which is being suggested for achieving a guaranteed annual income, and that is the negative income tax.

I notice that even *Hansard* did not put the phrase "negative income tax" into its heading. As a matter of fact, when I used the word in the house the other day *Hansard* had to send down to me to make sure that was the word I used. I guess it mystified some people. In fact, I was not really sure whether

the minister himself was quite aware of what I was talking about.

The minister could look into the writings of Peter Newman, Mr. Speaker, and discover that he thinks the Liberals are looking at it. The minister will also find that there is some suggestion that it is being looked at by his opposite numbers in Washington. The idea involved in the negative income tax is that we set reasonable income tax exemption levels, and if they are going to be reasonable they should be higher than the ones which we have at the present time. Then we impose taxation above these levels, but in the case of people who earn less than those levels they receive a payment from the state to bring them up to those levels.

This device is thus a means, but only one means, of helping to achieve a guaranteed annual income. Just as today the Minister of National Revenue makes refunds to people who overpay their taxes, I believe the day will come when he will be making this other kind of payment, namely a negative income tax. I am sure that the minister does not want to be thought of only as an ogre who takes money away from people because they make too much of it. I am sure, as a person who has the kind of background I know he has, he would like the incomes of all our people to be brought up to a reasonable level. He would like to subscribe to the principle that no one in this country should fall below certain reasonable and dignified levels of income.

If this is to be accepted as a principle, then I suggest it be accepted more than as a matter of words. Our legislation should be based on it, and I would invite the minister, in the preparation of his budget this year, to take a good look at the negative income tax.

I should now like to ask him the question which I put to him last Wednesday. Is he looking at this matter in the preparation of this year's budget?

• (10:10 p.m.)

Hon. Mitchell Sharp (Minister of Finance): I can assure the hon. member that I understood very well the question he asked me the other day. The idea of a negative income tax did not take me by surprise. Indeed I have been interested in this idea for many years and I am very pleased that a member of the New Democratic party should finally become modern in his thinking. One of the problems about the N.D.P. is that they are so hopelessly old-fashioned. It is a hopeful sign that the