

It is not something that the Canadian taxpayer is willing to trust the government on and I would like to look at the budget papers presented on April 27, 1989. This was the leaky budget as I recall.

On page 9 the Minister of Finance penned these words. I assume he or someone under him wrote this. He certainly took responsibility for it once it got leaked. It says:

For 1990 and subsequent taxation years, the \$50,000 threshold will be indexed on the same basis as other indexed brackets and thresholds in the tax system.

In other words, the rate of inflation minus 3 per cent.

The level of the threshold will be reviewed periodically and adjusted as appropriate.

What the Senate has done by one of its two amendments in this case is say to the minister and to the Canadian people that this thing should be adjusted automatically with the rate of inflation.

If the minister is going to fix the situation periodically, why will he not agree to this amendment which is so reasonable? All it does is say that the \$50,000 figure will be fully indexed with the rate of inflation. It does not propose this 3 per cent extra tax grab for the government. Surely the minister is not trying to squeeze seniors out of another 3 per cent of their money every year. Yet that is what it appears from the way he has drafted this bill.

The Senate has said we would prefer to amend this. They have proposed a very reasonable amendment on that score and I invite the minister to read it again and see if he will not change his motion and agree with this very reasonable amendment. I stress the word "reasonable". It does not do anything that is drastic, it does not deprive the minister of a great deal of revenue, it is virtually revenue neutral. There is no reason why the minister for this class of citizens should not offer the full indexation that is fair.

In fact, as the Senate pointed out so ably in its report, the government itself appeared to support this whole old age security tax system. I would like to quote:

In January 1985, the Government released a Consultation Paper on Child and Elderly Benefits, which concluded that a special surtax on Old Age Security payments would "seriously disrupt our retirement income system" and "would unduly penalize those most affected by reason of retirement income resulting from private savings in earlier years." Thus, the provision for clawing back OAS benefits in Bill C-28 as the committee went on to say, represents not only a change from the

policies of previous governments but also a direct repudiation of this government's earlier position.

The minister talked about trust and how seniors should trust this government and yet, having stated in 1985 that a special surtax on seniors' incomes would seriously disrupt their income system and unduly penalize those most unable to afford it and most undeserving, the government now backs down on that promise by bringing forward Bill C-28.

When the other place comes forward with some amendments to try to ameliorate the dreadful consequences of this bill, the minister stands up and says the Senate is out of order, that the amendments violate our constitutional traditions, and that he will not have it.

Surely the minister has an obligation to consider these very reasonable amendments proposed by the Senate. Surely he cannot expect Canadians to believe the pious nonsense he uttered about the government's record being a firm indication of trust. The government's record, if anything, is exactly the opposite.

• (1650)

The Consultation Paper on Child and Elderly Benefits, published in January 1985—which the government is breaching by this bill that is being forced through this House and is now trying to get through the Senate and which, no doubt, it will force through this House later today—is an indication of a complete breach of faith with senior citizens in this country and frankly, with the parents of children who receive the child support payments under this act.

The other aspect I wanted to deal with is the unfair and secret tax increases that the government has already imposed by deindexing deductions. I mentioned that earlier. The government claims that there is no tax increase this year. Indeed, in the budget speech the Minister of Finance announced that there were, in fact, no new taxes. We all know that there are two ways the government has increased taxes on Canadians this year that I could name right off the top of my head. One of them is included in the 1989 budget and it is this very clawback provision.

As Your Honour knows, the clawback provisions go into force, one-third, one-third, one-third; one-third in the first year of operation which was last year, one-third this year and an additional third next year. If that isn't a tax increase, then I don't know what is. Yet, the Minister of Finance had the unmitigated nerve to stand in this House during his budget speech and say there would be