

merce, have just said: "Please, Mr. Mulroney, don't keep increasing taxes; start cutting expenditures, and start cutting them in a responsible way."

So, honourable senators, this is the bill we have in front of us. I compliment my friend, Senator Simard, for presenting a reasonable exposé of how the Canadian taxpayers will continue to be rooked by a tax system that is becoming so burdensome that it is almost impossible for many taxpayers—especially middle-income taxpayers and lower-income taxpayers—to meet the demand.

I am not going to spend much time on the various tax changes, some of which involve leasing regulations. There is also a new little quirk, a tax on capital that will be levied against those companies that have assets of over \$10 million. We will not argue about that. But what has created the uproar with respect to Bill C-28 is that we have abdicated the principle of universality in the social programs of this country.

Honourable senators, let me read an excerpt from the speech made by Senator Simard, who should be playing for the Montreal Canadiens, the way he skated so lightly over this rather embarrassing feature of the bill. This is what he had to say:

Because these programs are available to all without any prior means test, they are, in our opinion—

I presume somebody wrote that—

considered universal. The fact that individuals must apply for them before receiving them and that they are subject to income tax has never been considered to limit universality.

The measures in this bill respect the universality of these programs. They build on the fact that they are already subject to income tax.

How Senator Simard could say that without laughing hysterically I do not know. I just cannot imagine a man of his general wisdom having the kind of nerve to stand up and say that we are not affecting universality because we always tax old age pensions. What he did not add is the one little line that we are taxing back not 75 per cent, not 80 per cent, but, at a certain income level, every penny of the children's allowance and every penny of the old age pension. They will be paid back to the Government of Canada 100 per cent.

Honourable senators, is that universality? I just want to pass on to Senator Simard my hope that deep down he did not agree with what he said. I did say that somebody may have written those words for him, because I cannot imagine any responsible political person saying to the people of Canada that we are continuing to respect the universality of our social programs—social programs that have been the basic structure of our whole policy over the years, social programs that people have struggled to achieve.

I do not see Senator Croll in the chamber today, but I am sure that when he realizes, as he probably does now, what has happened to his dream of universal pensions for all—his dream of all people being secure in the knowledge that funds would be available for them in their older age, funds which they

[Senator Buckwold.]

contributed to the government in order to provide them with this pension—he will be extremely disappointed. To have the government with one hand provide a cheque and, with the other hand, turn around and take it back, and even ask you to pay the postage when you send it, is, I think, just too much for the Canadian taxpayers to swallow.

Some Hon. Senators: Hear, hear!

Senator Denis: A sacred trust!

Senator Buckwold: We have now reached the stage where I am sure people across the way will agree that universality is out if we say we are giving a cheque but then turn around and take back the money. What happens next, honourable senators? Are we going to move in this direction in respect of health care? Are we going to be doing this with a variety of other programs? Are we getting back to a means test similar to what we got rid of many generations ago? These are the kinds of questions I think must concern the people of Canada as they look at Bill C-28. It represents a change in social philosophy. It is a betrayal of what the Prime Minister called a "sacred trust", and I think we should be aware of that.

Why should Canadians now save for the future? We are penalizing savings. Many individuals who have scrimped and saved and ended up having a reasonable income will find that it will not be long before inflation is going to eat that income away. There really is no regard for saving. Get out and spend it! Give it up! Don't save it, because if you do, and your income reaches a certain level, you will have to pay it back anyway, thanks to the magnanimous government that has presented this particular bill.

• (1420)

Yes, it is true that at the moment it is not affecting so many taxpayers that it might be considered monumental. There will be 54,000 taxpayers this year who will pay back every cent of the old age pension and 74,000 who will pay back part of it, but I should like to remind the members of this chamber that the 3 per cent inflation rate has to be covered by the taxpayers. So the first 3 per cent will be cumulative. If our inflationary trend continues at the reasonable level that we have had, for example, 5 per cent, within 20 years it is estimated that one million taxpayers will be subject to the clawback.

"Clawback" is an appropriate word. I do not know who invented the word "clawback", but it is very descriptive of the grasping government that wants to take family allowances away from children and old age pensions away from the senior citizens who built this country.

Keep in mind, too, that senior citizens—and in saying this I look at my friends in this chamber—in the period from 1952 to 1971 paid a surcharge on their income tax. It was called old age security tax and amounted to 4 per cent of taxable income, to a maximum of \$240 a year. At that time people were paying it—and I presume that all of you paid into it for a period of time—in order to provide some financial backing to the reward that you would receive if you lived long enough. That money was to be paid back from a government that respected and honoured its senior citizens. That is out the window now.