

*Excise Tax Act and Old Age Security Act*  
they are going to use the money they have secured for another purpose.

All that this amendment says in effect is: Carry out your promise. You said that social security has to be paid for—and I am one who believes that. Therefore, use this money for the purpose for which it was extracted, rather than choose another method for the expenditure which you told the people of Canada was being levied for specific purpose. I say, Mr. Speaker, that this amendment is the only way in which the members of this house can impress upon the government the necessity for keeping their word.

**Mr. Sharp:** Mr. Speaker, I should like to support my colleague the Solicitor General in his position that this amendment is out of order and beyond the competence of private members. In so doing I should like to draw attention to what I said on December 19 when I introduced these proposed measures. It has been suggested by the Leader of the Opposition and by other speakers that somehow I misled the house or misled the public. At the same time as I am speaking on the validity of the amendment I should like to reply to the other point since both are related.

On December 19 I said that I had to meet immediate cash needs arising out of the increase in payments to old age pensioners. I proposed to meet these cash needs in two ways. The first way was by increasing the ceiling under the Old Age Security Act with relation to the 4 per cent tax on personal incomes. I did that because there was a duty laid upon me by parliament to keep the old age security fund reasonably in balance. As I have said on previous occasions, Mr. Speaker, this has been honoured as often in the breach as in the performance. Nevertheless, as Minister of Finance I have the responsibility of proposing measures when I have reason to believe that the fund is out of balance. For that purpose I proposed to raise the ceiling on the old age security tax on personal incomes.

Then, as reported at page 11336 of *Hansard* for December 19, I had this to say:

The second tax change I am recommending is intended to add to our general revenues to provide the remaining cash required to pay the guaranteed income supplement.

For that purpose, Mr. Speaker, I proposed that there should be an addition of 1 per cent made to the general sales tax, with certain exceptions that are familiar to the house.

[Mr. Diefenbaker.]

I thereupon proposed two resolutions, Mr. Speaker, to which I should like to draw your particular attention. The first read as follows:

That it is expedient to amend the Old Age Security Act to provide that for the 1967 and subsequent taxation years the maximum amount of old age security tax payable on the taxable income of an individual be increased from \$120 to \$240.

The second resolution read:

That it is expedient to amend the Excise Tax Act to provide that, effective January 1, 1967, the rate of the consumption or sales tax imposed under section 30 of the said act be increased from 8 per cent to 9 per cent—

And so on. There, Mr. Speaker, it is quite clear I was not relating this to the Old Age Security Act; otherwise I would have proposed an increase in the particular excise tax that is imposed under the Old Age Security Act. For these reasons I support the Solicitor General in saying that this proposal does affect the balance of ways and means.

• (3:50 p.m.)

**Mr. Monteith:** Mr. Speaker, regardless of what the minister may have said on December 19—

**Mr. Diefenbaker:** It is not clear.

**Mr. Monteith:** The matter is not clear. The minister implied that his reason for introducing the mini-budget was that he wished to raise money for the old age supplementary payments. That this was his purpose was accepted by citizens across Canada, by the press and by all news media. It was said that the purpose of the mini-budget was to provide the funds necessary for the supplementary payment.

We did not wish to do it the way the government had proposed doing it. We should have preferred to give old age pensioners a flat increase of \$25 per month. Nevertheless, everybody understood that the purpose of the extra taxes was to pay for the supplement. All editorials on the mini-budget commented on this situation. If the people are to be misled in this way and if the amendment is not allowed, I can see no alternative open to us other than to vote against the bill on third reading.

**Mr. Olson:** Mr. Speaker, the question to be considered is whether the amendment is in order. Having looked at the precedents and citations in *Beauchesne* I suggest that the matter is not clear. I say that because I find contradictions. Do the precedents establish the competence of a member of the house to