

Government Orders

This is a money bill, and he knows as well as I do that under our Constitution the Senate has limited powers in relation to money bills, while perhaps not legally spelled out that way in the British North America Act or the Constitution Act, as it now is, at least based on the general practice under our law and Constitution.

In recognition of that fact, the Senate has said no, it has to approve the principle of this bill. It is a major bill coming from the House of Commons and has to be dealt with as such. The Senate is entitled to make some amendments to improve it, and I think that is what the Senate has done. I laud their efforts.

Like him, I would prefer that this bill not be introduced in the House at all. I would prefer to defeat it. Both our parties voted against this legislation, and I am delighted that the New Democratic Party supported us in that attempt. I would not want him to suggest that the Senate should be chastised for not having done more in the circumstances given the nature of the bill.

The point that we have to look at here is the other Senate amendment. I think it goes to the very notion of trust. The minister talked some time back about trust, how important it was, how seniors could trust this government, and their record was evidence of that trust. Let us look at the record again.

The government is preparing to impose a special tax on persons who have contributed to the old age security fund in Canada, many of them for a 20-year period. From 1952 to 1972 there was a special tax collected as part of the income tax, but labelled as an old age security tax. I can remember it. I remember seeing it on tax returns. That may seem odd, perhaps. If Your Honour does not, I am sure given Your Honour's age, it was long since abolished before Your Honour had to pay tax.

I might have filed a tax return before 1972, I am not sure. The fact is I recall the tax was there. It was a special tax levied on Canadians across the board. The money was put into the old age security fund. I am sure the minister remembers that fund. The money went into the fund and the old age security pensions were paid out of that fund.

If there were insufficient moneys in the fund it was replenished by the government out of the Consolidated Revenue Fund. If there was not enough the government paid all the pensions. The purpose of this was to make Canadians feel that they were paying for their pensions.

That is why it was there. It was to drive the cost of pensions home to Canadians.

In 1972, the government did away with that. It said it would collect the money and pay pensions out of the Consolidated Revenue Fund. That was done and Canadians lost the notion that they were paying for their pensions because it was all paid in general tax revenue. Fine and dandy.

Now the government is saying, regardless of whether you contributed to that fund all those years, whether you paid in for 20 years or not, you now have to pay the money back when you get it if you make more than \$50,000 a year. That is what it is saying.

Madam Deputy Speaker: I am sorry to interrupt the hon. member, but he would be the first one to say that I did not do what I should do before five o'clock.

It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Lambton—Middlesex, trade; the hon. member for York Centre, justice; and the hon. member for Burnaby—Kingsway, Meech Lake Accord.

I do apologize to the hon. member but the rules are the rules.

• (1700)

Mr. Milliken: Madam Speaker, I fully recognize the need for Your Honour to interrupt for that purpose, and I am sorry that it interrupted my particular flow of reason. I know the Minister of State for Finance was hanging on every word and thought.

To go back to my notion of trust as I was discussing it, the fact is the government collected all these moneys in the old age security fund and paid the pensions out of that fund to Canadians. It now says that Canadians will have to give that money back when they receive it.

What the Senate did by one of the two amendments is to say that some recognition should be given to the fact that Canadians paid this money under the mistaken belief that they could trust the government to pay them the pensions, and let them keep the money.

The government talks about trust, saying seniors across Canada know they can trust us. On the other hand, the government says that the seniors who contributed to the fund for all of these years will now have to give the money back when it gets it out. It is a breach of trust. Any other government would be ashamed to bring