After that, the debate went on for many, many weary days. Then Mr. Abbott again dealt with this matter, and said that if there should be a shortage in the fund he might have to advance a loan for a few weeks or, possibly, a few months, and he goes on to say as reported in *Hansard* of November 8, 1951, at page 840:

> Early next spring when we are looking at general budgetary matters, we shall have to see how things get started; and as I said in my opening statement, some special action may have to be taken at that time to get the fund off to a proper start. But while it may be necessary to advance moneys to the fund to make payment of current pensions, pending tax receipts—or if tax receipts prove inadequate, pending the time taxes are increased to make up for the deficit—from then on that is the basis upon which the fund will be operated.

Then a former hon. member who will be remembered by many of us in this house, the former hon. member for Winnipeg North Centre, Mr. Stanley Knowles, asked a question, wishing to make it clear whether pensions would be paid, whether the fund was in balance or not, and Mr. Abbott said, in reply:

> I would say that additional taxes would have to be imposed, sufficient to reimburse the fund for any advances made, and to provide for future payments.

And Mr. Knowles further asked:

> In other words, it could go on as a sort of debt which could pile up as simply a picture of what it has cost to provide old age security.

And this is the response given by Mr. Abbott; it is one to which I should like to draw the particular attention of this house:

> That would be possible, but it would not be probable as long as this administration is in power.

What has happened, Mr. Speaker? That was in 1951, and with regard to carrying out that promise to parliament, as with regard to carrying out many other promises to parliament and to the country, the government of that day immediately chose to disregard it, and from then on, every year, this pension fund was never brought into balance. Every year there was a deficit. Last year, as hon. members know, there was a deficit, partly due to increase of pensions which this government made and partly due to the increases which were put into effect by the preceding government amounting to the tremendous sum of $186 million in the fiscal year just closing. And the year before it was $102 million.

Was that principle not right, the principle which was enunciated in 1951? Was it not a sound principle, this principle which had been agreed on not only in the House of Commons but in the other place, and agreed on unanimously, that old age security should be guaranteed by means of funds to which we all have to contribute, and that those funds should be kept in balance? Were not the government and the minister of finance justified in making this pledge and saying they felt it virtually impossible to conceive of any other way of doing things?

We all know the situation in which we find ourselves today and the situation in which the Minister of Finance has found himself. We have therefore gone ahead this year to deal with the difficulty, and a very substantial part of this so-called increase in taxation—in fact, $183 million in the full year—will go toward bringing the old age assistance fund, the old age security fund, into balance. This will not be accomplished entirely next year, but over a period of a year or two the fund should be in balance. In this case, as in so many other situations which the government inherited, we shall be carrying out, and redeeming and implementing, a pledge which was made heretofore and which was ignored by our predecessors in office.

Much will be said, I am sure, with regard to sales tax. The hon. member for Kenora-Rainy River (Mr. Benidickson) referred—though not in such detail as I thought he might have done—to the fact that there is an additional sales tax of one per cent, the proceeds of which will contribute to the deficit in the old age security fund which might be prejudicial to the motor car industry. And, of course, there is the additional excise tax, too. Everyone regrets having to pay increased taxes. I may say I feel that the hon. member for Kenora-Rainy River has let me down to some extent because he did not go as far as I thought he might in condemning the increase in the sales tax. I am sure amplification of that has been left for some other speaker on that side of the house and no doubt that hon. gentleman will appreciate my bringing to his attention a statement made by the then minister of finance, Mr. Abbott, as reported at page 388 of *Hansard* of October 25, 1951:

> The sales tax more nearly approaches the ideal levy for financing social security than any other tax in our system. Where under social security provisions the benefits are to be universal it is only right that contributions to the fund should likewise be universal. Income tax, incidentally, reaches, I believe, only about half of our working population. It seems clear that all should take at least some part, however small, in making provision against need.

I commend those words to hon. gentlemen opposite and suggest to them that what we are doing now, at least to the extent of $183 million, is meeting the pledge which was made by the then minister of finance. Some