

*Adjournment Debate*

was sustainable. That was the challenge that was put to VIA management.

• (1740)

In order to mitigate the effects, the government directed VIA to treat affected employees with concern and compassion in full compliance with all of the collective and special agreements. VIA's five-year plan provided for separation benefits totalling more than \$140 million. Given these factors and the need to reduce the deficit, the government stands by its decision to restructure VIA.

SOCIAL PROGRAMS

**Mr. John Manley (Ottawa South):** Mr. Speaker, I rise in this adjournment debate with respect to a question that I raised in the House of Commons on December 7, 1989. I was asking the government about some aspects of its proposed clawback of social benefits and in particular the way in which it had presented this clawback tax to the people of Canada.

An exchange arose with the Minister of Finance in which he referred to some pre-budget consultations with the One Voice seniors network. As a result of his reference to that pre-budget consultation, the One Voice seniors network issued a press release in which it stated that the minister was twisting its words. Their press release stated: "Seniors were appalled yesterday to see their words twisted to support the government's controversial clawback legislation".

I asked a question about this in the House. In the absence of the Minister of Finance the Minister of State for Privatization and Regulatory Affairs took the floor. He made matters worse. He decided to try to quote something that was said by Mrs. Woodsworth of the One Voice seniors network.

The Minister of State for Privatization and Regulatory Affairs said, as reported at page 6615 of *Hansard*:

Mr. Speaker, I believe it is the hon. member who is twisting the words of the Minister of Finance. It is very plain exactly what Mrs. Woodsworth, who was representing that group, said. She said it, and I will read it to you again. I will do so slowly.

I might say there was some sarcasm in his voice when he said that.

—we agree with the Economic Council that people with over \$50,000 of income should have their OAS taxed back.

That prompted a letter from Mrs. Woodsworth in which she referred to that quotation. She stated the following:

It has been the consistent position of One Voice that the clawback is a serious threat to universality of Canada's social benefit programs, and we have never supported the measure. I know that I personally never made such a comment.

We have contacted the Economic Council of Canada and they have been unable to locate any report which makes a reference to the clawback or the \$50,000 threshold.

What concerns us more is that the clawback was not announced until the budget was released in April. We wonder how discussion of the clawback or the \$50,000 threshold could have taken place in February before it had been announced in April.

Mr. Speaker, I do not want to belabour this. The Minister of State for Privatization and Regulatory Affairs clearly was anxious to make his point and he did it with perhaps a touch of emphasis which he later regretted. The point very clearly is that the government, in introducing the clawback of old age security payments and family allowance payments, did so in what I describe as an under-handed and sneaky fashion.

These benefits were referred to by the Prime Minister prior to both elections as "sacred trusts". He did not ever suggest to anyone that he was about to cut into these social programs, and yet, when the first budget came out after the last election, there it was.

The process—well, there was no process. The process was that it was announced in the budget and enacted in income tax legislation.

Whether you agree with universality or not, that is not the point here. The point is this; universality has been recognized as the cornerstone of our social programs in Canada, be they family allowance, old age pensions, or medicare. Even education, in a sense, is a social program, and universal access has been regarded as the cornerstone of that.

If you want to end that, if you want to change the basic structure of our social programs, surely the way to do it is to announce the intention to have a full and open public debate on it, in which the case for and against universality is made, not only by those who are concerned with fiscal aspects of it but by those who are concerned about