

• (1730)

I think it is a disgrace that we have reached the point in Canada where things that were described as sacred trusts by a man who wanted to be Prime Minister of Canada can be tied to measures like the large corporations tax and be made to look like they are mere fiscal measures.

The Minister of State in his remarks really admitted the idea of this measure has nothing to do with fairness or equality. It has to do with reducing the deficit.

Reducing the deficit is what drives the policy of the Government of Canada these days. It drives it in science and technology. It drives it in everything else. There is a failure to consider what is important, to consider what kind of country we want to have.

While there is money to spend on propaganda advertising, while there is money to buy food tasters for the Prime Minister, there is not money to spend on seniors.

As I say, the essence of this debate that should be had about universality is essentially this. If it is believed that the principle of universal pension payments for persons in their senior years should not apply to those in higher income categories, then that proposition is a simple one. It is very easily debated in this forum and other forums across the country. If that is the principle, why do we not say that and go forward and devise a social policy that meets the needs of the 1990s and beyond?

Instead, this tax is meant to disguise what it actually is. This tax is described as not affecting universality. The Minister of State says that himself. We are giving the money to everybody. They can pocket it. They can put it in their right hand pocket. What they do not realize is that there is another hand in there already waiting to take it back out. Is that universality? On the contrary, this is a tax measure directed at seniors.

Who else in Canada, other than senior citizens, pays an extra tax on old age pensions? No one. No one else receives it. It is simply a tax based on age.

Similarly, the tax back on family allowances is a tax based on family size, not on income. If it were on income, it would be subject to the usual marginal tax rates. No, these are tax measures directed at families and

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seniors. They have not been subject to debate on the basis of the social policy that underlies them.

The member for Sault Ste. Marie was right when he quoted me as saying that this provision should be deleted from Bill C-28. If the government wants to introduce this policy, it should be introduced as part of a new piece of legislation brought forward, probably by the Minister of National Health and Welfare, as part of the whole income security arrangement for Canada. Then let us debate it as a matter of social policy.

I remind the government that the previous Minister of National Health and Welfare back in 1985 introduced a discussion paper in which he said the clawback of old age pensions—he did not use that terminology of course—would not be acceptable. Why? Because seniors plan on this. They expect it. Therefore it would not be fair.

The senators have made two minor proposals. They did not undo the clawback, as maybe they should have, they proposed to mitigate its effects to some extent, with two measures. The first would index the threshold at which the clawback applies. That surely to goodness is the minimum.

The government says two things. It says: "Trust us. We have always raised thresholds before. Who is to say we will not raise them again?" If it is going to raise them again, then why not index them? It is as simple as that.

The government then says: "It only affects 4 per cent of seniors". Yet it justifies it on the basis of the deficit. If it only affects 4 per cent, then surely indexing it would not have that much impact on the deficit? Yet the measure of fairness that would be brought by indexation is well worth the modest cost involved.

What about the minor amount of tax credit that the senators propose to people who at least in their minds bought and paid for their old age pensions? Under the proposal from the Senate, qualifying individuals, that is, people who have reached age 65 now, or will between now and 2006, are going to get a minor tax credit that they can apply against the clawback. This reflects the fact that these people for many years understood that when they paid the Old Age Security tax on their tax forms they were going to get an old age pension. That is what they were paying for.