

*Government Orders*

that they purchase and can afford to pay the tax, but unfortunately, poor people cannot. By extending the services and the goods that are taxed under consumer taxes, the poor pay heavily on everything they purchase, especially on the necessities that they use, whereas the wealthy tend to pay on luxuries which probably should be taxed at a higher rate. We have seen the Conservatives attack the fundamental pillars of social programs from both pillars, from the progressivity of the tax system and from the social programs themselves.

• (1650)

This is after the Prime Minister promised that the principle of universality would not be touched in this country, that it was a sacred trust. Like other sacred trusts, it has now gone by the board. It appears to me that the Prime Minister, even when he was saying this, knew that he had a policy to undermine those social programs, to undermine the progressivity of the tax system, and in fact to undermine the universality principle itself. He simply was not saying it to the public. He was saying the opposite, knowing it to be untrue and he was misleading the people of Canada at the point that he said that.

When I look at this bill what concerns me is not that the family allowances and old age pensions are going to be taxed back from the wealthy. In fact, I think that that is a good idea. That was the basis of universal social programs in the first place, in order to avoid those demeaning means-tested programs that we had in the past. For example, a whole system of means testing had to be gone through to get family allowances, or old age pensions. One of the ways of eliminating those means tests was to make the programs universal and then to tax them back through the progressive income tax program. By destroying the progressive income tax program, the Conservative government has now made that system virtually unworkable.

What the government is doing in this legislation is isolating old age pensions and family allowances as income which should be taxed specifically and separately from all other types of income. They are isolating that particular form of income to be taxed back on a different basis than other types of income. In the universal system, it is combined with all of the other types of income and taxed on the same basis.

I believe that at some point in the future, when those who are at the high end of the tax scale recognize that pension income and family allowance income is being taxed specifically and directly, they are going to be petitioning the government and saying that they do not want that kind of income at all. "Why not just provide those programs for the poor, because for us they are a nuisance because we have to deal with them on our tax forms". They will be speaking to the government and suggesting that we no longer pay old age pension and family allowance to those above a certain income level in this country. What will happen is that we will return to the means-tested program, that demeaning system where poor people are put through a whole series of questionnaires and analyses to find out if they are cheating on their declarations of income so that these programs will apply specifically to the poor.

That cannot be done. In a country like Canada these programs are extremely valuable even to high income families. I want to point out an example to you, Madam Speaker, of how the family allowance system is extremely important to women because the family allowance cheques are paid to women, even in relatively high-income families. I will use the example of a community that I used to serve when I was a provincial member of the legislature in British Columbia.

That community was a single-industry community, a forest industry town with a pull mill. In that community most of the men worked and most of the women stayed home and looked after their kids, or if the kids were in school, they simply stayed home, but not in all cases. Although the men made relatively high incomes in the pulp and paper industry and in the logging industry, did they bring that income home? In some cases, they would gamble it away on pay day or drink it up and the family would never see any of that income. In other cases, since the man decided that it was his income from his employment, he would parcel it out to his family and an inadequate amount of income was shared with the family. As a result, even though the male income earner was relatively well off, the rest of his family was relatively poorly off. In fact, it could be argued that they were below the poverty line.

I recall that some of the women in the community, the wives in the community came to me as a provincial member of the legislature seeking money to set up a day care centre so that their children could be looked after and so that they could go out and seek employment. I