

Government Orders

A strong case can be made that the clawback proposal is not an attempt at reducing the deficit, it is really the universal nature of Canada's social programs that is the real target of this government. We know that the free trade agreement with the United States plays a large role in the actions of the government. Some may well argue that the agreement has led the government to its attack on universality.

The Canadian Council on Social Development has stated, and I quote:

The Canada-U.S. Free Trade Agreement generates inevitable pressure from within Canada and from the United States for the social programs of the two countries to be harmonized so that neither partner has the competitive advantage. Since the United States does not have the extended universal programs we in Canada enjoy, it is more likely that our own plans and programs will be stunted or rolled back.

This is a very perceptive view from the Council on Social Development. I believe the clawback proposal fits nicely into this government's agenda. The plan calls for the reduction, if not the elimination, of universality and, indeed, most of Canada's social programs which are considered to be out of step with the small amount that is available in the United States social system. Surely, this really cannot be the case. It cannot be the real reason behind the clawback or the assault this government is launching on our social programs and the principle of universality. After all, the Conservative government has assured Canadians that our social programs—our entire social system—has not been nor ever will be up for negotiation with the United States because of the free trade agreement. We have this promise from the government.

I urge the government to rescind the clawback proposal contained in Bill C-28. By doing so it would remove any doubt about the government's sincerity in protecting the universality of Canada's social programs. It would tell us that our social programs are not under attack and will be preserved. By removing the clawback proposal the government would also be informing the United States that it will maintain the universality of our social programs and policies.

In conclusion, if the government is truly serious about maintaining universality and in providing a fair, equitable and non-discriminatory social system for our seniors, families, and all Canadians, whether they receive these benefits or any other ones now or in the future, it will

heed the advice it has been given by various national organizations and social experts and abandon the clawback proposal.

The government must realize that the clawback will effectively punish current recipients and the many others it will draw in over a relatively short period of time. To proceed with the clawback would be an injustice. It would indicate that this government is not really interested in true deficit reduction efforts but with the destruction of universality and the eventual disintegration of Canada's long-cherished social system.

Mr. David D. Stupich (Nanaimo—Cowichan): Madam Speaker, I am pleased to take advantage of this opportunity to speak against Bill C-28, and in particular against clause 48 which has to do with the clawback of two particular types of income.

This bill is a special bill, special in that it applies only to two kinds of income. We are talking about the old age pension and about family allowance. These are the only two types of income to which this special tax will apply.

It is special in that it applies to individual income as opposed to family income. There are other examples of taxes, of course, where that principle applies as well, but not all. This tax falls in the category of applying to an individual's income as opposed to family income, which is going to increase the possibility of members of a family, certainly between the income earner and the spouse, and perhaps even beyond that, changing their income pattern among themselves so that they will pay a minimum of income tax to the government. It is going to encourage that kind of tax planning. So it is special in that respect as well.

It is special in that it is only partly indexed. Certainly, if members of the government intended it to be fully indexed they would have provided for that in the legislation. But they do not intend that. They intend to leave it flexible so that at any time at all the minister, if he chooses, for whatever reason—perhaps for a political one if an election is on the horizon, or perhaps for an economic one if it is after an election and he wants to have more money to do with whatever he wants—has the flexibility to change it so that it will be fully indexed over one period, or leave it as it is, which is partially indexed, or change the basis or the formula. It is totally flexible in that respect which makes it special in that way as well.