

Since the evidence heard by the Committee on the "clawback" was extensive it is useful to classify it according to the issue raised.

Universality

The issue of universal delivery of social programs was raised often during the Committee hearings. A number of witnesses stated that the "clawback" is a clear departure from the principle of universality which the Prime Minister has identified as a "sacred trust". The Government's view on the issue was explained to the Committee by the Minister of State for Finance, the Honourable Gilles Loiselle.

"The OAS and family allowance programs are considered universal because they are available to all, without any prior means test. Their universality has never been considered to be impaired because individuals must apply for them or because they are subject to income tax. The measures in this bill respect the universality of these programs. They build on the fact that they are already subject to income tax, and ensure that benefits are targeted more effectively to those in need."(21:6)

According to Mr. Loiselle, because the means test is applied after receipt of the benefits rather than prior to their payment, the principle of universality remains intact. The Minister's comments also indicate that the Government does not regard the "clawback" as a withdrawal of payments but as an extension of the existing policy of taxing back benefits from higher income individuals. However, the April 1989 Budget seems to indicate otherwise, classifying "Repayment of Social Transfers" as part of "The Expenditure Restraint Plan" rather than as a "Tax Measure".

Most witnesses that appeared before this Committee disagreed with the Government's assertion that Bill C-28 maintains the universal nature of Canadian social programs. As Family Service Canada noted, "Although we have heard in other discussions that there is no abandonment of the universal nature of the program, to provide someone with a benefit and to withdraw it totally, undermines the basic principles of the purpose of the family allowance program."(22:6)

The National Pensioners and Senior Citizens Federation stated, "We are particularly troubled by the breach of the principle of universality. The Minister of Finance claims that this is not a problem since all qualified recipients will continue to receive their