

The Government's action also raises a larger issue. If universality is no longer considered a sacred trust by the Government, what is next on the Tory agenda? Is it health care?

Policies can be set and replaced, but once traditional values and principles are abandoned they are very difficult to reclaim. This Budget proposes that Canadians repay old age security and family allowances at a rate of 15 per cent of the individual net income exceeding \$50,000. The level of benefit received by families and individuals will no longer be equal but will be dependent upon the established threshold. These measures clearly violate the long-standing tax policy known as horizontal equity. This concept proclaims that individuals are treated equally under the tax system and that individuals at the same level of income should be taxed at the same rate. However, this Budget treats old age security income as extraordinary income. It is treated differently from other forms of income.

To take an extreme example, a senior citizen who earns \$75,000 will pay more in taxes than a 64-year old who earns the same income. This is because under the proposed system, old age security income is subject to a higher tax rate. The senior will have part of his income taxed back at 100 per cent while the 64-year old will still only be subject to the top rate of 29 per cent before surtaxes. How is that for fairness?

I would like to read a brief passage from an article by Marjorie Nichols in the *Ottawa Citizen* dated April 29, entitled "Wilson's fiscal axe cuts heart of social programs". She writes:

It is sophistry to argue that programs that eliminate all benefits to some are still universal. It is as silly as the Prime Minister's foolish attempt Friday morning to argue that ending universality will help the poor. It won't. The poor don't get any more. The Government just pays less, that's all.

She concluded with the statement:

Don't trust a Tory to tell the truth about a social program.

Well, bravo Marjorie. That is precisely what Canadians are thinking and saying.

Family allowances are not a gift. They are needed to cover the extra cost of living in raising children. With the Minister of Finance's new regressive sales tax, this benefit will be needed more than ever.

The family allowance cheque is of particular significance to women. Because of the changing social structure in Canada today, full-time homemakers and

mothers receive no recognition. They are often treated as non-productive, second-class citizens. Probably the only real source of recognition they get for the work they do is their family allowance cheque. It is probably the only cheque they will receive in their own name. I repeat, this universal right is not a gift, it is an integral part of the Canadian social identity.

Even in strict financial terms, it is difficult to rationalize the Tories' attack on the family allowance system. The family allowance program is one of Canada's cheapest in terms of over-all expenditures. In fact, expenditures have decreased in the past few years due to changing demographics and due to the previous tax measures. The cost of this program will be \$2.6 billion this year as opposed to \$2.9 billion in 1984-85.

Family allowances are already considered taxable benefits. Already approximately 30 per cent of family allowance benefits are returned in taxation revenues, so this additional shot at middle-class families is clearly outrageous. Canadians have always accepted the concept of equal access to equal benefits at all income levels as part of the Canadian social ideal.

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Successive Liberal Governments have tied this fundamental principle of universality to a progressive tax system. It was this system which ensured a fair distribution of social benefits. The Tory view of equitable distribution is clearly quite different. The Government has launched an all-out assault on the family allowance and Old Age Security.

For the first time, the Government has directly linked a tax back rate of a social program to the benefit received. This linkage alone is enough to expose this Government's notion of universality as a sham. However, when coupled with other regressive tax measures put in place by the Government, it is a disgrace. This is an extremely dangerous precedent. Canadians are concerned about where these measures will take us.

Today, the Tories have set the claw-back threshold at \$50,000. However, this Budget has not pleased the Government's corporate backers. They are disappointed that the Government has failed to reduce the deficit. They cry for more. Perhaps the Tories will feel next year that once the principle of universality has been tapped there will still be water in the well and they will set the threshold at \$40,000.