

We understand that cutbacks are necessary, but we feel that attacks on the old age security payments are an unfair and irresponsible means of doing this.

The last letter is from a Mr. and Mrs. Neveu. They write:

My wife and I wish to voice our protest against Mr. Wilson's proposed "clawback" of OAS payments. Even though these proposals will presently affect the rich—we believe that they will eventually affect those with much lower income.

The universality of the old age pension should, in our opinion, be respected as a right of every Canadian.

We believe the proposals made by the Minister of Finance threatened the financial stability of our retirement years. We have been retired for the past nine years and hope to be able to afford to stay in our own house for many more years.

These are not my comments, Mr. Speaker. I have expressed my comments before in the House of Commons. These are written comments of only a minute number of retired people within my community who have written to me as their member of Parliament. I am not the only one who has received hundreds of such letters. I am sure that everyone on the opposite side of the House has received hundreds of such letters as well but for some reason or other they have not got the courage to go against their Minister of Finance and vote out this clawback.

Ms. Joy Langan (Mission—Coquitlam): Mr. Speaker, I was concerned about some of the other clauses that we have been discussing this morning, but I am downright outraged about the proposed clawbacks of the old age security pension and the family allowance.

I have said before in this House, and I will say it again, that measures like the old age security and family allowance clawbacks are turning social policy into welfare policy and it is all being done in the name of harmonization.

My colleague, the member for Sault Ste. Marie, said that under the Prime Minister Canada's national vision has been replaced by a completely corporate vision. This government has sold off, shut down, privatized or cut back the best parts of that national vision. Air Canada, VIA Rail, Canada Post and CBC are only a few examples. Now, under this bill, the attack is on the most precious part of our national vision, universality of social programs.

Government Orders

Universal programs first attacked our old age security and family allowance. The question becomes what universal programs are going to be attacked second, third, fourth and fifth?

One of the members discussing this motion earlier talked about a CP wire story of 1984 which quoted the Prime Minister. The Prime Minister said: "Our position is simple and straightforward. We are in favour of universality in social programs and it shall not be touched". Has the Prime Minister lost touch? Has he lost control? Has he forgotten that promise?

I wanted to believe him during the last election campaign, as most Canadians wanted to believe him, that universality would not be touched. Seniors certainly wanted to believe him. But I submit to you, Sir, that actions speak louder than words. This legislation was introduced in a very secretive way, not through social policy as somebody earlier said, nor with any proper discussion in committees. It was in fact slipped through in this sort of catch-all of amendments in the hope that we would all forget and not notice. I suggest that this is not acceptable to Canadians.

Under the system of the finance minister, the income level at which the clawback starts will move upwards according to the same deindexing formula that exists in the tax system. In other words, a worker earning \$40,000 a year and watching his or her income rise with inflation would be earning enough to put his or her income over the clawback level for family allowance of \$56,309 by 1997.

For retirees the clawback is even more complex and phases in more slowly. But a simple rule of thumb is that a worker who earns his or her age, say a 28-year-old worker earning \$28,000, or the average industrial wage today, will be hit by the clawback by the time he or she retires. This assumes that income keeps pace with inflation and that retirement income is 70 per cent of a pre-retirement income.

It follows that at \$28,000 for a 28-year-old worker, \$40,000 for a 40-year-old worker, \$50,000 for a 50-year-old worker, within 20 years one in four Canadians will have all or part of their pensions clawed back. One million pensioners, within 20 years, will be caught in this clawback grab.

Mr. McDermid: If we got back to a balanced budget you wouldn't have to worry about it.