

Income Tax Act

but I can perhaps sum up by saying the cure this government is offering is perhaps even worse than the disease itself. I think the government is going to realize this very shortly. There are a number of other reasons why I wanted to participate in this debate at this time, but other hon. members have already mentioned these things so perhaps I should only emphasize some of them.

As I already stated, I believe the surtax is very regressive. It is a tax on a percentage basis. This type of tax is not fair to the average and low wage earner in Canada. It is not as bad as a social development tax or as bad as when it was first introduced in the House a couple of years ago. We all remember the events that occurred when this tax measure was first introduced.

Let us look at the surtax as it is today. The burden is basically on the wage and salary earners all across Canada. The projected income from this tax in 1970 will be approximately \$155 million. Of this amount, \$115 million will be collected from the wage earners. Most of the revenue will come from these people. I maintain this is very regressive. I suggest we should not pass this bill but instead start seriously thinking, discussing and debating many of the reforms which have been suggested by members of this House and by many organizations. Some were even in the white paper introduced a short time ago.

If we pass this bill we will be taking a backward step. We will be procrastinating. We will not be trying to solve the problem before us. The tax system as we know it today is unjust. We are not going to patch it up by passing the bill before us. We are not even going to begin shifting the burden of taxation from the lower and middle income groups to those who can afford it.

These are some of the reasons why all hon. members, particularly those from western Canada who are concerned about the economy in that part of the country, oppose the bill before the House today. It is a very regressive measure. It is perpetuating the type of taxation system we have today. It is also preserving the type of social-economic society which we have, instead of making the changes that are necessary.

I am quite sincere in saying that the vast majority of the people in my constituency do not like this tax. They are very much against it. I appeal to the government, as strongly as I possibly can, to abolish this surtax and not to pass this bill. If the bill is passed, I ask the

[Mr. Nystrom.]

minister responsible to guarantee that this will be the last year he will come before this House and ask for an extension. The former minister of finance promised the people of Canada this measure would be applicable only for 1968 and 1969. No one expected it to be applicable to the coming year, and I know many people throughout Canada were caught by surprise. I hope the government or the minister responsible can assure us this will be the last time the House will be asked to extend this measure. Better yet, let us vote against it and begin some meaningful dialogue on reforming the entire taxation system.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I rise to join many other members who have opposed this measure. This bill to extend the surtax for an additional year is really an illegitimate offspring of the original bill of some two years ago which was to apply a 5 per cent surtax on individual income tax. It was proposed by the former minister of finance in November of 1967 and was subsequently defeated in February, 1968. This makes it not only an illegitimate bill, but also an orphan since the parent bill was killed. It was killed because it taxed personal income and not corporations.

Even though the subsequent measure, an extension of which we are now debating, levied a 3 per cent tax on individual income and corporations as well, it is still grossly unfair. If this bill is passed, in 1970 the government will collect an additional \$115 million from the individual income tax payer and only \$40 million from corporations. This is a ratio of 3 to 1, that is \$3 from the average, medium and low income taxpayers in Canada and \$1 from corporations.

In the remainder of this year, an additional \$25 million will be collected, \$25 million from individuals and \$5 million from corporations. This is a ratio of 4 to 1, \$4 being collected from individuals and \$1 from corporations. The total tax revenue forecast for 1969-70 is on a ratio much closer to 2 to 1, that is \$2 from individuals and \$1 from corporations. Because of these figures, I just quoted surely this surtax makes the measure regressive and grossly unfair. This has already been pointed out by previous speakers. The corporations are still getting off too lightly in comparison to the individual taxpayer. The corporations still will not be paying their proper share of the surtax or of all the other taxes for which they should be liable.