

*Government Orders*

One of the principles behind revenue neutrality was that we were going to do away with the surtaxes, either temporary, for a special purpose, or they are an attempt to fool around with provincial revenues. Because as the government well knows, provincial income tax revenues are based on a percentage of the base income tax revenue collected under the federal income tax system for almost all of the provinces. To impose a surtax is a way of milking the taxpayer and avoiding letting the provinces get their fair share.

Bill C-28 is an attempt to make permanent the surtax, to avoid letting the provinces get their fair share of income tax revenue, and also to renege on a promise of revenue neutrality, and that promise should be respected. Canadian taxpayers are fed up with what they are having to pay. The goods and services tax, bad as it is, should be replacing the surtaxes so that we go back to a reasonable, comprehensible and fair tax system in Canada.

• (1030 )

**Mr. Vic Althouse (Mackenzie):** Mr. Speaker, I will be very brief. On the lead up to tax reform the Minister of Finance indicated several times that he would get rid of these surtaxes as soon as he had a policy on sales taxes. The sales tax changes were announced in this past budget. It was announced that it would be 9 per cent. There are now some rumours that perhaps it will be 7 per cent. That is irrelevant. The fact is there has been a decision made to go to a sales tax.

I do not think, and I am sure my colleagues agree me, that we should put into the basic tax law as is being proposed here this 5 per cent surtax when we had a commitment by the Minister of Finance that this would be temporary. It is not temporary when you put it into the basic law. The minister can do what he wants to do by regulation, I submit. I do not think this has any place in here at all. We would have preferred to have deleted it altogether but apparently there were some procedural problems with that so we will make it to a fraction of a per cent and I hope that the House would concur with that move.

**The Acting Speaker (Mr. Paproski):** Is the House ready for the question?

**Some Hon. Members:** Question.

**The Acting Speaker (Mr. Paproski):** Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Yes.

**Some Hon. Members:** No.

**The Acting Speaker (Mr. Paproski):** All those in favour of the motion, will please say yea.

**Some Hon. Members:** Yea.

**The Acting Speaker (Mr. Paproski):** All those opposed, will please say nay.

**Some Hon. Members:** Nay.

**The Acting Speaker (Mr. Paproski):** In my opinion the nays have it.

*And more than five members having risen:*

**The Acting Speaker (Mr. Paproski):** Pursuant to Standing Order 76(8) the recorded division stands deferred.

**Mr. John Manley (Ottawa South) moved:**

Motion No. 4.

That Bill C-15 be amended in Clause 73 by striking out line 14 at page 37 and substituting the following therefor:

"73. (1) The Minister shall constitute an".

**Ms. Langan (for Mr. Butland) moved:**

Motion No. 6.

That Bill C-15 be amended in Clause 75 by adding immediately after line 5 at page 38 the following:

"in consultation with the advisory committee,".

Motion No. 7.

That Bill C-15 be amended in Clause 77 by striking out line 24 at page 41 and substituting the following therefor:

"expiration of the period of seven years begin-".

**Mr. John Manley (Ottawa South):** Mr. Speaker, the effect of this amendment is very simple. It is to delete the provisions of Bill C-28 that would introduce the clawback of old age pensions and family allowance benefits. I think it is fair to say that this one provision of Bill C-28 is the single most important social policy change in a generation in Canada. This, as the hon. member for Mississauga South, chairman of the finance committee has said, is the end of universality of social programs in Canada.

First, let me say that it is a disgrace this kind of social policy change is being made in the context of a budget bill so that there is no adequate opportunity for Canadians to debate this kind of change.