

*Income Tax Act*

way to ascertain priorities in the health care field. All provinces which have attempted to approach the federal government with plans based on some control and limitation of demand have been turned down, as witnessed by the situation in my own province of Manitoba. When it brought forward a plan which would have created some limitation it was turned down by the federal government.

So there is great necessity for the government to observe these medicare and hospitalization programs with a view to limiting expenditures. In my view the government has done very little in this field. In the committee on finance the minister stated that he, along with the health ministers of the various provincial governments, was looking into medicare and hospitalization in an attempt to define the economics and how far and in what manner health care facilities should be made available to our people. This is a belated recognition that health care has to be limited by the amount of money there is available. It seems important to me that the federal government should decide how much money the taxpayers and the government can afford to allocate to health care, and in turn work out with the provinces what this money will bring in the way of care for our people. Unless this is done I am quite sure we will be faced with an ever-mounting bill for medical care.

The present medicare system as inaugurated in Manitoba, which is an open-end plan, could produce a great deal of havoc financially. There is still time for the federal government, with the provinces of Quebec and Ontario, the two largest in the country, coming into the plan, to work out some curtailment or limitation beyond which the taxpayer will not be charged. Unless this is done there is no limitation on the amount of money these health care facilities will demand. With this belief, I would ask the minister to speed up his consultations with the provincial ministers of health and finance, and to reach some sort of agreement in this field in order that our shared-cost programs can be kept within manageable limits.

**Mr. John Burton (Regina East):** Mr. Speaker, the income tax amendments now before the house expose in stark nakedness the sham and the fraud of the government's claims of working toward a just society. It is no wonder they waited seven months after the budget to introduce the bill.

The social development tax provided for in the bill represents the negation of any acceptable concept of a just society. It was difficult

to believe the minister on that dark night last October when he first blandly placed his proposal before the house. No doubt the concept of this tax reflects the Prime Minister's expressed concern that the rich are being taxed too much. No amount of rationalization can reconcile this tax with a just society.

Whatever justification might be made for the need for more revenue, nothing can justify the form in which this tax is being imposed. It is a regressive tax. It is one regressive tax added on top of another regressive tax—the old age security tax. The need for more revenue cannot be reconciled with an unjust, regressive tax imposition.

The imposition of a new levy of this nature at this time creates another problem. It helps to further distort the tax structure. At present Canada has an income tax system badly in need of reform. The Carter report pointed out many of the inequities and inconsistencies in the present system. Whatever element of fairness or justice may be present in the existing income tax structure is largely negated by the old age security tax. Now it is the intention of the government to distort the structure further with this new levy.

A further question arises. The government has promised a white paper on tax reform. Like a will-o'-the-wisp, the date for its presentation keeps receding in the distance. What does this measure portend of things to come? Will the government's proposals really be reform in nature? Will this measure not make it more difficult to effect real reforms? Reforms are not made by putting them off until tomorrow; they are made by starting now. I urge the minister to turn over a new leaf before it is too late by withdrawing this bill and introducing a more equitable measure. I use the phrase "before it is too late" quite deliberately. A continuation of injustice and unfairness, together with new measures which add to the tax burden of those on lower incomes, can only lead to disillusionment with government and with the role to be played through public affairs in correcting the ills of our society.

A second major feature of the bill now before us has to do with the taxation of life insurance companies. At first glance, this may appear to be a tempting morsel designed in part to counteract the adverse reaction resulting from the introduction of the social development tax. Indeed, there is some merit in the amendments as they apply to life insurance companies. Indeed, my understanding