

Income Tax Act

rates—and so forth. They found that, on balance, they would be the ones to be severely restricted at a time when there is no means of securing restraint on the part of other elements in our society. In this connection, I might mention some of the large corporations and the legal chicanery they use to avoid taxes. The unions could not accept the suggestion that they should agree to voluntary restraint because they realized that the restraint would apply to them rather than to other groups.

I would sum up by saying that the purpose of this bill was not to increase revenue but to stabilize the economy and that so far there has been no indication of any stabilization of the economy. In fact, the tools which the minister has used have brought about a further instability as well as a rise in prices within our society.

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

Mr. McCleave: Would the minister mind explaining one of the words which appears in the explanatory note? The explanatory note says, in the first paragraph, that the purpose of the bill is to extend for one year the temporary surtax imposed in 1968 under the terms of the Income Tax Act. What I would ask the minister to explain to us is this: what is meant by the word “temporary”?

Hon. Herb Gray (Minister without Portfolio): Hon. members have made a number of interesting observations in the course of this debate. I think that most of what they had to say was anticipated in my own remarks at the opening of this discussion.

With respect to the question asked by the hon. member for Halifax-East Hants (Mr. McCleave) I believe the simple answer is that “temporary” is the opposite of “permanent”. Originally, Parliament agreed that the surtax in question be imposed only for a certain period of years, and since the proposal before us now is to extend it only for a limited and specific period, the description “temporary” still validly applies.

Mr. Crouse: A further question. Since surtaxes are listed in the proposals put forward by the Minister of Finance (Mr. Benson) in his white paper which state that the 3 per cent surtax is to be included in a whole group of taxes to take effect in 1971, would the minister not agree it would be more in keeping with the intent of the bill if the word “temporary” were dropped?

An hon. Member: It is not in the bill.

Mr. Crouse: Use of the word “temporary” gives us the impression that the surtax is intended to apply for a limited time only, yet in fact the tax is to be carried on in perpetuity. Does the minister not agree that this word should be dropped?

Mr. Gray: The word “temporary” appears in the explanatory notes—

Mr. Barnett: Before the minister replies—

Mr. Gray: I shall be happy to accept the hon. member’s question but I am attempting to reply to the hon. member for South Shore (Mr. Crouse). As I understand it—and I can accept guidance on this point—the explanatory notes are not officially part of the bill.

• (4:10 p.m.)

In respect of the proposals in the white paper, I understand that the basic one is that there would be a new rate schedule which would in effect integrate what may have been a series of separate taxes on income. However, I think this is a matter for future debate and discussion. At the present time we are debating and considering a proposal to amend the existing law, and it is on this that the Government is asking the House to make a decision.

Mr. Barnett: Mr. Speaker, I am interested in the minister’s definition of “temporary” as being opposed to “permanent”. For clarification, I wonder whether he might explain if this definition of a temporary tax is more or less temporary than a temporary building in Ottawa?

Mr. Winch: Mr. Speaker, this matter intrigues me and I should like to know on what basis we can accept a determination from the government in respect of legislation? The Government introduces legislation and Parliament passes it by a majority. This measure refers to a surcharge for a definite period of time. We are now faced with the fact that the original legislation was not introduced for a definite period of time. How much trust can members of the House and the public have in a government that introduces tax legislation for a definite period of time, in view of this additional extension?

Mr. Gray: Mr. Speaker, the extension of this surtax is to be made only if this House agrees to amend the law, as proposed by the government. It is my understanding that under our constitutional system Parliament is