

Income Tax

The supplementary agreement will come into force after it has been given legislative approval in both countries. I understand that such approval has already been given by the Swedish Riksdag. Therefore, Mr. Speaker, I am asking this House to support the bill at this time.

Hon. Marcel Lambert (Edmonton West):

Mr. Speaker, I have no intention of making any extensive remarks with regard to this bill, except that I think it will not be necessary for it to go to committee. It seems appropriate, therefore, for me to move, as I did the other day, that the motion of the minister be amended by the following words:

That this bill be read a second time and be considered by the committee of the whole.

In fact, the provisions of the bill are so simple that it would be a sheer waste of administrative time to send the bill to committee and have it come back here. Therefore, we are quite prepared to consider the amendment. Whilst I am continuing my remarks, perhaps the wording of the appropriate amendment could be worked out. I am sure all of us in the House are so disposed, and as soon as I have concluded my remarks I will make that amendment.

Mr. Gray: Mr. Speaker, if I might rise on a point of order to respond to the hon. member's suggestion, perhaps the House would grant unanimous consent to having the original motion amended.

Mr. Lambert (Edmonton West): That is what I would do.

Mr. Deputy Speaker: May I intervene at this point. My understanding was that the hon. member for Edmonton West (Mr. Lambert) would make that proposal at the conclusion of his remarks. Perhaps I should ask the House whether there is unanimous consent to so amend the motion. Is it agreed?

Some hon. Members: Agreed.

Amendment (Mr. Lambert, Edmonton West) agreed to.

Mr. Lambert (Edmonton West): Mr. Speaker, I think there is no question that this bill will cover public service pensions and service pensions, and not the old age pension because that does not come into it at all. I think it is quite salutary to have such agreement between the two countries. I would point out, however, that this measure clearly shows up

[Mr. Gray.]

some of the difficulties that will arise upon implementing the proposals in the white paper on taxation.

It has been clearly admitted by a number of officials and by the minister that some proposals hinge on amending tax treaties, particularly with the United States. This very simple amendment to the Canada-Sweden tax agreement will take months to negotiate and process before it comes into law. If Canada is to renegotiate, as the Minister without Portfolio (Mr. Gray) said, 15 or 16 tax treaties with various countries, whose interests are not identical, because Canada proposes to change its tax system, there will be a period when it will be absolutely impossible to forecast the incidence of tax on individuals or corporations in any country involved in a tax treaty with us.

If it is the government's intention to somehow or other complete public hearings and the preparation and enactment of legislation for January 1, 1971, particularly with respect to capital gains, there will be a very long period in which the provisions of tax treaties will override the taxation system and more inequities will be introduced into the system. I merely cite that as an example provided by this bill.

I am sure that the Canadian government and the Swedish government started negotiations with respect to this treaty a considerable time ago, but it still has some distance to go before it becomes law. All I say is, let us not be fooled. In the white paper we will find admissions, particularly with regard to the United States. It will be a long, hard and difficult process to negotiate the changes that Canada will want in the tax treaty, in the event that it is able to enact the legislation proposed in the white paper.

• (9:00 p.m.)

What sort of deal have we there? I suppose it will be confusion more confounded than before. In so far as this bill is concerned, we will have no further observations to make unless, of course, some of my colleagues wish to make personal remarks about Sweden. In any event, I commend the bill to the House and shall later commend it to the committee of the whole.

Mr. John Burton (Regina East): Mr. Speaker, we have no objection to the bill now before us, and no wish to hold up its passage. We agree with the proposition that it be considered in committee of the whole instead of by