

Income Tax Act

that estates, even with generous exemptions, would be put in an element of double jeopardy, first from the standpoint of capital gains taxation and second from the standpoint of provincial taxation through succession duties or the like.

Then I indicated that I would like to discuss some of the matters into which we never got our collective teeth by way of debate. I also indicated that I would like to list some of the things which I thought were abhorrent in the old legislation and on which no reform whatsoever was being carried out. May I now list them in perhaps rather brief fashion because there are others who want to make speeches and who have not taken part in the taxation debate, and I want to be fair to them.

The first item which was mentioned by the Prime Minister (Mr. Trudeau) in his speech this afternoon concerned corporations being allowed full deductions, income tax-wise, for interest on the money that they borrowed to buy shares in other corporations. The point here is that it might have been valuable to have a debate on the matter to determine how far reaching this rate should be. Should Canadian companies, for example, be allowed the right to buy companies operating in other countries, and what would be the effect of companies owned substantially outside of Canada trying to use that right to buy companies that are operated wholly within Canada? We all know the furore and intellectual ferment that has been caused on this matter of domestic versus foreign ownership. This subject might have provided a very useful debate, but we never had it because of the time allocation.

Then there is the very interesting section in the bill dealing with the sale of "nothings" and goodwill, which has never been discussed properly by us in committee. I do not think anybody touched on it very much at any stage of the debate, yet what the minister and the department have done is to set up a brand new type of language to cover a whole flock of new definitions.

A rather interesting question of commercial law is involved there. I am not a commercial lawyer and I make no pretence to be one. I could add very little, if anything, to such a debate but I would say that considering the over-all consideration by this chamber of the income tax law, perhaps the largest group who can complain about our perfunctory consideration and the fact that we have not considered all elements of income tax properly is the business group of this country. They are the backbone, the people who provide jobs, and I do not think they have been treated fairly because of the time allocation on this debate.

Then a matter in which I am very much interested and on which I would have liked to speak in the debate is rental property and the question of capital cost allowance classes and depreciation, and the fact that a separate class is created for each rental building costing \$50,000 or more under the new legislation. We have had good, expert opinion both from the Toronto Real Estate Board and from a group in greater Vancouver who question whether the proposals in the white paper have been translated into the bill, whether these proposals are good enough at a time when Canada still has a substantial need for accommodation for its citizens, more particularly in the vast metropolitan areas where this point was made forcibly to us.

I would have liked to discuss that element alone and whether or not what is proposed by the government is a good measure. I say this because there are all sorts of people in the House who, if unleashed from the government whip and allowed to participate in such a debate, would be able to throw out a great many common sense ideas on the subject of rental accommodation. We never touched on the matter at all, yet I think only the other day the hon. member for Spadina (Mr. Ryan) and the hon. member for Hamilton West (Mr. Alexander) pointed out in this House, through questions to the Minister of State for Urban Affairs (Mr. Andras), the very serious accommodation problems now being faced in the city of Toronto.

• (8:10 p.m.)

I myself in the past have referred to the almost unholy explosion in population in the megalopolis that is developing between Montreal and Windsor. I am almost a Paul Revere in this regard, shouting, "The megalopolis is coming," trying to arouse some interest in the government so that it will be aware of a problem of mammoth proportions that is rapidly coming in the area of Canada between Montreal and Windsor. Surely somewhere along the line we should have had an opportunity to decide, after considerable debate, whether the proposals in this new income tax law with regard to rental property are sensible or not, and whether they should be modified.

Much has been made about the role of the finance committee of this House in dealing with the bill. With respect to the committee report, I accepted the recommendations of the majority in that regard, although it is true that some of that report was disregarded by the government. But I would hate to think that even a group of knowledgeable people, and I think they were knowledgeable people in that committee, should have the sole hand in suggesting the sort of tax legislation we should have. I think our housing problems are serious enough that everybody in this chamber should have had that right. But for some reason, within the last couple of weeks the government decided that time allocation, the most hideous weapon in the armament of the gag, should be invoked in this chamber.

As a result, for the next decade we will probably carry on the process of tax law reform because every year will turn up instances of where the legislation was imperfectly drafted or where the ideas were imperfectly conveyed. It simply means that future parliamentarians may look back to this Parliament and wonder why the government chose the course it did and choked off meaningful debate on tax changes.

Sir, another thing we never really got our teeth into was the international capital business—I mentioned this earlier—foreign source income and dividends. We never really got our teeth into the manner of the treatment of the professional taxpayer who is now practically on the same basis as the fellow who peddles radios, TV's, other merchandise and the like, who could be classified in a different position. Those are only some of the things we did not debate. I think I have listed five or six, all very important, Mr. Speaker, but thanks to the divine right methodology of a few despotic people in this chamber we are not to have that kind of discussion.