

Income Tax Act

up at clause 5, I suggest that he perhaps tell his own draftsmen that they should have wakened up. He will note there is no mention in clause 33 that is consequential upon the passage of clause 5. Perhaps it is his own draftsmen, if he wants to fault somebody for being asleep at the switch.

In all seriousness, in future when we are dealing with income tax motions, if the minister is going place such reliance on quotes such as "or other matters", I wonder if he could at the time of bringing in that tax motion give us an addendum as to what he intends to include under "other matters". Frankly, it is a disgrace for an income tax motion to be brought in and the minister, under the grandfather clause of "other matters", to be able to make extensive, as he calls them, technical amendments to the Income Tax Act with really no notice to the Canadian public whatsoever.

It is well founded that the whole purpose of ways and means motions or income tax motions is to put the Canadian public on notice as to what the government has in mind with regard to legislation that will be coming down. Nobody would normally expect that clause after clause in an Income Tax Act bill would be tucked in under the guise of saying this is what we meant when we said "or other matters" in the income tax motion.

I ask the minister, in all seriousness, that if he should bring in another budget, and hopefully he will never bring in another one, to undertake to give an addendum to at least the income tax motion to make it clear that in fact they intend to cover such things as "or other matters".

Mr. Chrétien: Mr. Chairman, I do not know what the hon. member is trying to achieve. This has been a common practice in this House for a long time. It has been done this way for years. I do not have to change the tradition of this House every time I bring in a new budget.

The hon. member is trying to create the impression that the public has been misled. This bill has been before the public for five weeks. We have discussed only that for five weeks. For the hon. member now to say there was no mention in the ways and means motion is ludicrous.

This bill has been before the House for five weeks. It is only after five weeks that he thinks of asking questions about this so-called procedural problem which has never existed. The draftsmen have acted in a most proper fashion. It is evident hon. members opposite want to present the hon. member for Winnipeg North Centre from asking questions on clause 34. They are filibustering. I am sorry, Stanley, but there is nothing I can do about it.

Mr. Stevens: Mr. Chairman, when is this minister going to grow up? If he thinks that being elected to this House, certainly to this side, means that we simply rubber stamp every daft piece of legislation that he brings into this House without even questioning him, I hope somebody will teach him a lesson.

We have many questions on clause 34. It is not just hon. members to the left who will have questions. Surely the whole purpose of committee of the whole is to do exactly what we

[Mr. Stevens.]

have been doing. I find the more we get to the quick of this minister, the more he likes to become very indignant, trying to get the centre of attention off his own incompetence.

We are eager to get to clause 34 and many other clauses in this bill. If it had not been for closure, we certainly would have done that. To have the minister now stand up and imply that we are asking questions on clauses 32 and 33 simply to delay others asking questions on clause 34 simply is not true.

Mr. Chrétien: Mr. Chairman, the hon. member speaks as though we are preventing them from doing their job while in committee of the whole. There are four members there, while we have 30 on this side. The people will know who has an interest in this legislation.

Clause agreed to.

On clause 34—"Annuitant".

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I am glad we have reached clause 34. It and two or three other clauses include the changes the government is making with regard to Registered Retirement Savings Plans.

As I said earlier, and as my friend from Saskatoon-Biggar pointed out, we have had a good deal of correspondence from credit unions and co-operative trust companies across Canada about these changes. In fact I have in my hand a document which comes from my hon. friend's city, entitled "Trust Trends", published by the Co-operative Trust Company of Canada, 333 Fourth Avenue North, Saskatoon.

Mr. Hnatyshyn: Part of my constituency.

Mr. Knowles (Winnipeg North Centre): I had hoped it was not in the other part of Saskatoon and that I would get support from our friends in the official opposition on this matter.

● (1632)

It is not my purpose to ask questions about the whole philosophy of RRSPs or about the philosophy of the changes the minister is making, but it seems to me that some of those who have studied the legislation since the budget speech and the introduction of the bill, have made a few points which are good, and I hope the minister will look at them. The one point on which all the correspondence I have received agrees had to do with the proposal for taxing funds which had been placed into an RRSP, at the time of the death of the planholder if he had not converted it into an annuity, or at the death of a planholder's spouse.

I propose to read a couple of paragraphs from a document I have in my hand because I think they make the point better than my own words:

Under current rules, it is the recipient of the RRSP funds who is taxed when the planholder dies. It is now proposed to include the RRSP funds on the planholder's final income tax return.

This means taxes could be even more severe than if the planholder had withdrawn the funds in a lump sum before he died, since such items as salary, capital gains and accrued investment income must be reported on the same return.