

Income Tax Act

time. I want to refer to one result of the introduction of the capital gains tax which is in line with the recommendation of the Standing Committee on Finance, Trade and Economic Affairs, as well as the strongest possible exhortations from this side of the House. I refer to the suggestion that either the estate tax be done away with or that it be modified to a very considerable extent. It has now been suggested that this tax should be eliminated.

I was rather amused to note that at the Canadian Tax Foundation meetings in Vancouver there seems to have been considerable academic discussion at a panel on this particular matter. I am afraid I have not seen the original papers that were prepared but having heard some of the hon. gentlemen who spoke when they appeared before the finance committee on the white paper, I must say, and I have to be frank, I think I am hearing a lot of academic nonsense—a sort of ideology that is completely divorced from reality.

Mr. Bird and others who want to insist upon this so-called equity as between taxpayers can do so in theory until they are blue in the face, but it is the Canadian people who are being taxed, not just university academicians. Not one of them can stand up to the view of the Canadian public which has been expressed not only in briefs to the committee but in thousands of letters which indicates the public insists it does not care one whit about equity as between taxpayers; it wants equity between itself and the government with regard to tax matters. That is the point to be considered, and that is the point upon which I wish to make the next few remarks.

It is all very well for the government to say it is doing something very grand by removing the Estate Tax Act because of the introduction of the capital gains tax. We know there is to be a deemed realization upon property that passes at death. This leaves the field wide open to the provinces, the majority of which have succession duty acts. Two of the provinces have not said as yet that they intend to move to establish a succession duty act or their version of an estate tax act. However, I do not think they can put in an estate tax because of constitutional barriers to that type of tax.

Where does this leave the taxpayer? It leaves him worse off than before, absolutely worse off than before. If there were a provincial succession duty and an estate tax with mutually interchangeable credits so that the taxpayer was not paying double duty on death, that would be fine. But now there is a possibility of a capital gains tax which is to be added to the income tax. There is a succession duty to be levied by a province. Yet the capital gains tax cannot be used as an offset against the succession duty, the net result being that the estates in question are in danger of being taxed twice. Our friends to the left will say that they support this until it affects, say, the union worker. I wonder how this aspect will be regarded by the aristocracy of union workers whose wages have now taken them up into the middle income bracket. They accumulate estates. They are not all spendthrifts. Some of them live very well and, when they die, they leave estates. They are men of ability. They are not all spendthrifts, as I said, and they will be subject to this provision. I wonder what they will say when they must face this prospect of double taxation.

• (4:20 p.m.)

I say this, Mr. Chairman. In making these changes, the federal government must arrange with the provinces for a satisfactory system of credits whereby any capital gains tax shall be credited towards any succession duty that may be levied on the decease of a taxpayer. That is the point I want to emphasize. I know that other colleagues of mine will deal with this. I say, that is the only just and equitable position to adopt.

Mr. Mahoney: Mr. Chairman, I think perhaps this might be the appropriate time to suggest that certain amendments to the bill, which were discussed by the House leaders of the parties opposite this morning and by the government House leader, be formally moved and entered into the record. I understand that has been the practice in the past or, at least, in the debate on this particular bill. The practice has been, I think, that amendments be not read but be taken as read. May I ask if consent for that procedure is forthcoming.

Mr. Lambert (Edmonton West): The parliamentary secretary asks for the amendments to be included in the record. The government House leader was not able to make reference to them and, therefore, they will be part of the record but arguments may be advanced to the Chair as to their admissibility.

Mr. Knowles (Winnipeg North Centre): That is true.

Mr. Lambert (Edmonton West): I suggest, as I did suggest, that some of the arguments that applied to amendments presented before the committee may apply, certainly, to one of the amendments that is contained in the list that it is proposed to include in the record. They are not being opposed. It would profit us little to read them into the record and, perhaps a week hence, find that they may be out of order. The government then would have to start all over again.

Mr. Mahoney: I wonder then, to satisfy the situation, if they might be moved now without being read but printed as if they were read; and they might not be accepted by the Chair until tomorrow. That would give hon. members an opportunity to look at them and to raise any procedural objections they might have tomorrow. Some of the amendments are quite lengthy, as the hon. member is well aware.

Mr. Lambert (Edmonton West): Perhaps they could be entered into the record at present merely for purposes of record, so that everyone concerned would have notice of them. They might be moved tomorrow afternoon, and tomorrow a sundry collection of clauses is to be considered. In other words, the amendments could be moved and then we could argue their admissibility or otherwise.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I wonder if the amendments could not just be handled in the same way as previous amendments were handled. I suggest that they be moved now, for the purpose of getting them on the record, but that it be understood by the Chair that their admissibility can still be challenged at the point when any of these amendments is actually called.

Mr. Bell: What? More amendments?