Income Tax Act

The Deputy Chairman: Some hon. members have said no.

Mr. Woolliams: Mr. Chairman, I am glad to see the member for Calgary South in his new position. I did not intend to mention him because members from the city of Calgary—and we have had them from Calgary South from time to time—as Tennyson said, come and go. This is one of the burdens he will have to bear at the next election.

I would be derelict in my duty if I did not point out at the outset that what has really happened, and I thought it would happen, is that we have received a large, complex bill of 707 pages and almost 100 amendments. To be able to deal with it in a cogent manner, we should have been given the amendments some days or weeks ago, as a matter of courtesy. The government must have had them.

I say to the member for Calgary South that when his party was in the opposition, if we had tried this with even one amendment the Liberal party would not have allowed it. They were very astute people in opposition. I always gave them credit for that. They were masters of filibuster and procedure. This debate would not have gone on. If I had time I would try to convince the group here that this debate should not be going on. This really shows the arrogance of the government. They are saying, "It does not matter what the opposition says. We will let them make a few little speeches on the first clause of the bill." The member for Calgary South has been here since the rules were changed. He can never understand or appreciate what Committee of the Whole House is all about. He said, "Let them make a few pretty little speeches."

I would be derelict in my duty if I did not bring to the attention of the House and the country that this legislation is going to be rammed through. I have here an editorial from the Ottawa *Citizen* which is usually quite friendly toward the government. It is entitled "Speed action on the tax bill". I imagine the editor must have been coached a little by the government. No matter what is in this tax bill, the government is going to ram it through. They want it speeded through without much thought.

I make a prediction. Maybe when the member for Calgary South or other members of the government are back practising law or accounting, they will realize that what is being rammed through today is a legal monstrosity. This is what the Bar Association of Canada says. I have never held myself out as an expert on taxes. I do not think there are any such experts in the House. The tax experts have said this is a most complex bill. Maybe Browning correctly summed up the situation when asked about a poem of his. He was asked what it meant. He looked at it and said, "When I wrote that, only God and I understood it. As I think about it now after the months have gone by, only God understands it." That is probably what we are debating right now.

I want to come to grips with one subject that concerns me immediately, that is, relations between the federal government and the provinces as far as this tax bill is concerned. This is a monumental document. I do not know what is in the 100 or so amendments. If there were an examination, even with the great brilliance of the minister and his parliamentary secretary they would not be able to pass it. I am glad to see one officer of the department present who might be able to shed some light on this matter.

With regard to the provinces, accrued gains on capital assets will be taxable at death. Federal estate and gift taxes will be abolished as at December 31, 1971, to avoid double-taxation of such gains. There is no tax on bequests between spouses. The inheriting spouse acquires assets at their original cost to the other spouse. Tax is paid only when the inheriting spouse sells or transfers the asset by gift or bequest. Gifts between spouses, outright or through a trust, are tax free.

The decision of the federal government to get out of estate and gift taxes entirely as of December 31, 1971, has been strongly criticized, not because the provinces are against the abolition of the estate tax but because of the manner in which it is now being done. It has been strongly criticized as irresponsible and unfair to the provinces, a danger to orderly taxation in Canada and another act in favour of the privileged at the expense of middle income Canadians.

What does this proposal suggest? I come from the province of Alberta where there was an agreement between the federal government and the province that 75 per cent of the estate tax was to be returned to the provincial treasury. We had the estate tax abatement act. The former government of Alberta passed a provincial law so that the money was refunded to the estate and therefore benefited the beneficiaries. It was refreshing to hear the member for Regina East talk about the economy. That was done in Alberta for one reason, to help put Canadian capital into the hands of Canadians, particularly Albertans. It was not done to help the rich, the middle-class, or rob the poor but to create a capital pool in order to have a buoyant economy and full employment in the province of Alberta. I believe that today that province has less than 3 per cent unemployment. It has been said, and I believe it is correct, that at the moment we are one of the most buoyant economies. I hope it will last even with this government.

I have heard great academics. I do not know how they were able to become so categorized. I know some of their grades when they were in school. They prize themselves on being academics. They talk about foreign investment, although you do not hear too much about it now. I will have something to say about that in my concluding remarks.

As I see it, the enigma of foreign investment is with those people who talk about it. My friends to the left are rather great at that. They say that Canadians must invest in their own economy. The financial critic of the New Democratic Party seemed to be on all fours with the other socialist party in this country, the Liberals. They say they are going to take money from Canadians who have money to invest. This is the enigma: they say we cannot have foreign investment. How will western Canada end up? It and every other part of Canada will be an alkaline slue. That is what is so important.

I come back to the point about the abolition of capital gains and estate taxes. The proposal means an economic loss of provincial revenues and further tax competition among the provinces. Last year the federal government paid out $60.4 million as their share of the federal estate tax. Seven of the provinces receive from Ottawa 75 per