

Income Tax Act

Mr. Lambert (Edmonton West): Mr. Chairman, I beg to differ. I was occupied in negotiations concerning the passage of a number of sections. There is a good deal more to be said concerning section 14. I would prefer if someone else would take the floor, because I wish to discuss certain matters with the parliamentary secretary.

An hon. Member: Oh, oh!

Mr. Lambert (Edmonton West): It is with regard to the passage of certain sections. If hon. members want to be awkward, I can be more awkward. I was negotiating with my colleagues various points and sections on which we could agree and which could be passed before the expiry of the debate this afternoon. I want to communicate with the parliamentary secretary. Perhaps one of my colleagues might take the floor at this time; if not, I shall carry on and make the necessary observations with regard to this section.

I could raise the matter of section 19 and talk about the recommendations of the CRTC in respect of *Reader's Digest* and *Time* magazine, if it is the desire of hon. members.

Mr. Guay (St. Boniface): This is not in there.

Mr. Lambert (Edmonton West): If the hon. member for St. Boniface will consult the record he will see that section 19 has to do with the Canadianization of *Reader's Digest* and *Time* magazine and the restriction in respect of advertising. Does the hon. member wish more detail?

Mr. Guay (St. Boniface): No, but I can tell you—

The Assistant Deputy Chairman: Order.

Mr. Lambert (Edmonton West): This section is within the group which can be discussed.

[*Translation*]

Mr. Guay (St. Boniface): Mr. Chairman, I would like to direct a question to the hon. member for Edmonton West.

Mr. Lambert (Edmonton West): Very well.

Mr. Guay (St. Boniface): As for the section dealing with the one relating to the CRTC, I understand that it has nothing to do with this commission's recommendation regarding television. I agree with the hon. member in saying that this section applies to publications but not to television. I respectfully ask the hon. member for Edmonton West what comments he can possibly make in that regard?

Mr. Lambert (Edmonton West): I can reply to the hon. member for St. Boniface that we are going to study section 19. It was recommended to extend this section so that it would apply not only to publications but also to radio and television.

Mr. Guay (St. Boniface): I would like to put a supplementary to the hon. member for Edmonton West, Mr. Chairman.

[*English*]

In that case I would say that at the moment the bill does not take into consideration the recommendations of the

[*The Assistant Deputy Chairman.*]

CRTC in respect of television. You are saying it would require an amendment?

Mr. Lambert (Edmonton West): Yes, it would require an amendment. First, however, I want to examine section 19 to see whether it should continue. A number of people in this country feel section 19 should not continue. That is a point I could raise. If someone wants to do that, I shall carry on my negotiations. Perhaps the hon. member wishes me to continue. I have here a number of examples to show that section 14 is also a bad section. This could take me until after four o'clock; therefore, perhaps I should yield to my colleague from Parry Sound-Muskoka, who wishes to speak on section 19, and I can continue my negotiations.

The Assistant Deputy Chairman: Shall section 14 carry?

Mr. Lambert (Edmonton West): No.

Mr. Aiken: Mr. Chairman, ever since the commencement of the debate on the question of professional income, speaker after speaker on this side of the House has endeavoured to obtain an answer from the government concerning the reason the government has chosen at this time to change the rules of the game for professional people.

• (3:30 p.m.)

The Parliamentary Secretary to the Minister of Finance is doing his best to pilot the bill through the House, and the parliamentary secretary who is taking his place today is doing his best to answer questions, with the assistance of the officials sitting before him. But he has not yet answered the question in which I am interested. Why has there been a change with regard to professional income? Until we get an answer to that question, section 14 will be stalled.

No change was made with regard to farmers and fishermen. I have no complaint about that. A change was made only for one group. I hope the parliamentary secretary will explain the reason behind the government's changing the method of collecting income tax from professional people. Many reasons have been advanced against such a change. I am one of those affected and I know the problem. I suspect the government's reason is extremely simple but unfair. I suspect the reason is that the government knows it will be able to collect a lot more tax from professional people in 1972. Professional people will start, in 1972, on an accumulation basis and they will have to pay tax as they bill. Assuming a normal business year, they will pay a full year's tax in 1972 and in addition they will pay tax on the outstanding accounts of 1971 which have not been collected and which, under the old system, were not written off.

Under the old system the operation was on a cash receipt basis and it was not necessary to go through an imaginary writing-off of imaginary receipts. If a professional person had bills that were not paid, he did not pay tax on them. I am not certain whether the adjustment period has been fixed at five years, but during the adjustment period every professional person in Canada will be paying an additional 20 per cent income tax to the federal government.