

*Excise Tax Act*

the greatest respect both to you, Mr. Speaker, and to the minister, after further examination of the Income Tax Act, what the minister considers to be a minor sin of transgression has now moved into an almost—

**An hon. Member:** Venial.

**Mr. Lambert (Edmonton West):** Not venial, but a mortal position. May I say that it is almost heresy in so far as the rules of the House are concerned and the way the government has dealt with this particular bill. Paragraph 47(1)(g) reads:

Where gasoline has been purchased by  
(g) a person of such other class of persons as the governor in council may by regulation prescribe—

That has been changed to read:

Where gasoline has been purchased by  
(f) a person within a class of persons exempt from tax under part I of the Income Tax Act—

The minister has simply said, "This is not a substantial change. There is very little difference. It is really based upon the resolution." A cursory examination of the Income Tax Act shows it is composed of 397 pages of text. There are four sections in that act—in particular, part (h)—which deal with total exemptions. Others deal with partial exemptions. This would mean that what the minister and the House had in contemplation in the presentation of the motion is entirely different from what is prescribed in the bill.

● (1510)

In the course of the budget debate it was indicated that the minister would be flexible with regard to certain classes of purchasers of gasoline, so the minister could prescribe to exempt them. But there will not be the slightest possibility of doing this, because part (h) provides absolutely no latitude. After all, if the minister wanted to be tough, the governor in council could merely fail to prescribe, and nobody would be exempted. On the other hand, the minister could recognize the practical facts of life by providing exemption in certain cases.

When I look at the Income Tax Act, the principal exemption section, section 149, I find a list of those who are exempt from tax and who would, therefore, not be subject to this particular tax; for instance, the diplomatic corps and members of their families, municipal authorities—though there is a question whether an educational authority under a municipality is an exempt body—municipal or provincial corporations, charitable organizations, non-profit corporations, charitable trusts and associations of universities. The list extends to include certain housing corporations, non-profit corporations for scientific research, and labour organizations—it would be interesting to find out whether labour union vehicles will be subject to the ten-cent tax—non-profit organizations, mutual insurance corporations, housing corporations, farmers' and fishermen's insurers.

I go on to section 81 which is another interesting section. It covers, for example, His Excellency the Governor General, certain municipal officials with respect to their expense allowances and members of the legislative assembly with respect to their expense allowances in cer-

[Mr. Lambert (Edmonton West).]

tain categories. I draw attention, next, to sections 109 and 110. The reason I mention these exceptions, plus section 6, is that I intend to ask you, Mr. Speaker, to take into account the wording of the substitution where it says there shall be "a person within a class of persons exempt from tax under part I." Does this mean they will be totally exempt from tax, or does it mean partially exempt from tax? Is a person in receipt of a war pension which represents 80 per cent of his income supposed to be exempt from the ten cents excise tax? Such a person is exempt from income tax.

Is a senior citizen who is allowed almost double the normal taxpayer's exemption in all other matters, and whose income is just below the level at which he pays income tax, exempt or not when it comes to paying this excise tax? Under part I he is exempt from tax. Take those people who receive GIS which is non-taxable. They are exempt from tax under part I. It does not say "total tax". What is the interpretation?

The minister has told us that the Minister of National Revenue (Mr. Basford) will explain these matters. This reinforces the point I have endeavoured to make. The bill and the motion are miles apart. There is no way in which the House should be asked to accept the bill in its present form on the basis of the motion the minister chose. He could have brought in a motion in very general terminology, as used to be the practice, and this would have been perfectly fine. Instead, the motion has been worded in terms of the bill. Having elected to do that, the minister must follow, otherwise what is open to the minister is open to any other member of the House, and as long as someone gets within the general target area of the rules that will be sufficient for the Chair when it comes to admitting either a bill or a motion.

We have never proceeded on this basis and I do not think the Chair would ever wish this to become the practice because it would leave room for an unacceptable degree of arbitrariness in decision-making tantamount to policy-making on the part of the Chair.

On the basis of this extended argument, I ask Your Honour to indicate that this is an imperfect bill and that the document has to go back to the drawing board.

**Mr. Speaker:** Order, please. Before calling on the Minister of Finance (Mr. Turner) or others who may wish to participate in the discussion, may I say this: It seems to me that nothing has been said about a principle which was argued on the other side when the question was first raised. There is no doubt that the language of the resolution and the language of section 1 of the Income Tax Act are substantially different. However, the argument was—and I have some difficulty with it—that the resolution would give, I think on anyone's interpretation, to the minister the power to do what he has done by citing section 1 of the Income Tax Act, only it would give him the power to do it by regulation which would mean it would not have to come before parliament.

If I understand the argument put forward by the Parliamentary Secretary to the President of the Privy Council (Mr. Reid), instead of taking advantage of that power, one which is generally regarded by parliamentarians as being reprehensible in terms of parliament, instead of taking