

*Income Tax*

really the only Clause we have dealt with thus far, although my hon. friend has dealt with Clause 1 and Clause 109, really does meet those tests. The gist of my submission to the Chair is that, if we accepted the argument of the House Leader of the Official Opposition, we would be meeting the test which says that the Bill and the motion have to be identical. That really is the logical extension of what is argued by the Hon. House Leader for the Opposition. He makes reference to the substantial change in the tax, but admitted that that was a technical matter, the difference between the increased rate for sales persons, and then admitted that that was a small matter.

On his second point, he argued that because of a variation in tax rate and the calculations of rates which are used in the calculation of tax in so far as it applies to the standby is different in different Provinces. In my respectful submission, that is a matter which is dealt with in those Sections dealing with the calculation of tax from the different Provinces and does not bear directly upon the adequacy of the Bill; and it is parallel to the motion.

As the explanatory notes indicate, Mr. Chairman, Section 6(1)(a)(iii) is a clarification. It has always been the case under Section 6 of the Act that, except for explicit exceptions, all benefits from employment are treated as income for tax purposes. The amendments stipulating that automobile operating expenses paid for by an employer are benefits simply confirm and clarify, in my respectful submission, what the law has been for many years.

Therefore, I argue in rebuttal that the variation between the Bill and the motion in effect argues a rule which Speaker Jerome said did not apply, that is, that the two had to be identical.

In so far as automobile salesmen are concerned, Mr. Chairman, the amendment increases their standby charge rate to 1½ per cent from ¾ per cent. This motion says 2 per cent. Therefore, the amendment is clearly within the motion. I have argued that it is a technical matter to begin with, that the variation is not great but because it is less than the amount, it is included. That is the thrust of my argument.

● (1125)

The position of the Government is that a careful reading of the four standards applied by Speaker Jerome would lead you to the conclusion that although there are minuscule differences in the formula for calculation of the standby charge as it affects people generally, or salesmen specifically raised in the example of the House Leader, the motion meets the three other tests and is sufficient to have the matter proceed. I would suggest, Mr. Chairman, that consideration of Clause 1 is validly before the House and reflects the provisions of the Bill.

[*Translation*]

**Mr. Pinard:** Mr. Chairman, it would be difficult to add to the excellent points made by the Minister. In fact, I do not intend to continue in the same vein, because it seems to me that he has covered the subject quite adequately and that there are sufficient grounds for you to deny the Hon. Member's

point of order. However, I would like to point out to the Chair that the Notice of Ways and Means Motion was not opposed at the second reading stage, which would have been the appropriate time to do so. Since the House has adopted the second reading stage, I submit that there is no case for raising a point of order again at this time, since it should have been done before, when the Notice of Ways and Means Motion was tabled and the House was considering the second reading stage. Since the second reading stage has been passed, I do not think a point of order of this kind can be raised now, and even if the Chair were to conclude that it still can be done, and we disagree, the Minister has submitted sufficient grounds to justify the Chair's denying the point of order.

[*English*]

**Mr. Lambert:** Mr. Chairman, I am not aware whether at second reading this point was raised. If it was raised, when did the Chair deal with it? I suggest to you, Mr. Chairman, that the Government must still clean up its act.

**Mr. McDermid:** That is impossible.

**Mr. Lambert:** The Standing Order indicates clearly that a Bill will be introduced based on a notice of Ways and Means. The Minister says the amendments cited by my colleague were merely technical. I suggest to the Minister that he is applying his interpretation of "technical" much the same way as his colleagues were applying their, shall we say, elastic consciences to guidelines on conflict of interest during the past ten days of debate in this House.

On this particular point, a change of rate is not a technical change. There is only one tolerance allowed, I suggest to you. I refer back to the ruling of Speaker Lamoureux at the time I raised objection to the Bill that was tabled following the Ways and Means motion in the budget of 1970, which was a tax reform. There were 39 changes, some of them of the nature to which the Minister and my colleague adverted. The Chair disclaims any responsibility and I agree. It is not up to the Chair to "comb" the relative Ways and Means motions and the Bill. The Chair will insist that the Government keep its act clean. This is not a matter of tolerant interpretation.

● (1130)

As far as the Bill is concerned, we are not going to hold up the business of the House while the Government files a Ways and Means motion. The Government can do that later. It can substitute the Ways and Means motion to conform with the Bill since the Bill represents the final decision. During the time when the Ways and Means motion is approved by the Department of Finance and the Cabinet Committee and the Bill is drafted, all sorts of differences can occur. There has been plenty of time between December 7 and calling the Bill for second reading for debate. People in the tax Department have admitted to me privately that many of these sections are totally incomprehensible. The Government can claim that Members should have noted all the inconsistencies between the Ways and Means motion and the Bill by the time second