

*Business of the House*

**Mr. Fleming (Eglinton):** The question as to federal jurisdiction can only arise in connection with tax treatment. The federal authority might provide a tax reduction dependent on whether there are vested rights or rights that are not vested. But that does not create a right to vesting. It only relates certain tax incidence to either vesting or failure to vest. But the right to vest as such is a matter relating to property and civil rights. That is the distinction. It is quite a clear distinction. All that the Prime Minister could refer to, of course, was the tax incidence that would follow. I think that was the way in which he understood the hon. member's question.

**Mr. Benidickson:** I will just be a minute, Mr. Chairman, if the committee will tolerate it. I share the curiosity and interest of the hon. member for Kootenay West. As I understand the matter with respect to the vesting of the company funds, the point made is that inasmuch as a tax deduction is possible on the part of the employer for his contribution to the pension fund, the government should encourage a vesting by making tax exemptions inoperable if the company does not vest after a certain period of time. It seems to me that if some kind of tax reduction is available to the employer by profit sharing, the government could in these regulations insist that there be a vesting at a certain point; otherwise the employer would not get the benefit of the tax deduction.

**Mr. Fleming (Eglinton):** As you know, that arises under an entirely different section of the act and does not relate to this at all. I think this could best be discussed on another occasion.

**The Chairman:** Order. It being ten o'clock shall I rise and report a certain resolution?

**Mr. Fleming (Eglinton):** Mr. Chairman, if the committee were agreeable I think there is only one more question and we could dispose of this resolution.

**The Chairman:** Is the committee agreed?

**Some hon. Members:** Agreed.

**Mr. Crestohl:** Can the minister tell the house if there has been an estimate made or a calculation of some kind made to declare to the house what advantages there will be to

the department in having this passed? Will there be additional income by way of taxes? Will it be administratively easier? We do not know, as it is somewhat complicated, precisely what the advantages would be in enacting this legislation.

**Mr. Fleming (Eglinton):** This provision is not introduced for the advantage of the government or a department. It is a provision which will relieve taxpayers from taxes which are applicable at the present time. It is virtually impossible to make an estimate of what this may mean because so much will depend on how many of the profit sharing schemes are made to conform to the provisions of the legislation. Therefore one really cannot offer any estimate which will have any value whatever, but I think on consideration the hon. member will see that this is something which is intended to be for the benefit of the taxpayer, not for the advantage of the government.

**The Chairman:** Shall the resolution carry?

Resolution reported.

Resolutions adopted this day reported and concurred in.

**BUSINESS OF THE HOUSE**

**Mr. Chevrier:** May I inquire what the business is for tomorrow?

**Mr. Churchill:** Tomorrow we will start with the second reading of Bill No. C-56, which is No. 8 on today's order paper, an act to amend the Federal-Provincial Tax-Sharing Arrangements Act. If that is completed we will carry on with the three remaining budget resolutions. If we do not complete that business tomorrow, Wednesday will be a continuation of the discussion of the budget resolutions.

For Thursday the proposal is to finish the discussion of Bill No. C-56; if not on Tuesday then on Wednesday, if not on Wednesday then on Thursday; and in any case budget resolutions would follow that bill.

It being five minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.