

*Income Tax Act*

the proposals, including those before us today. What will be the impact of these provisions upon the economy and industry, whether it is business industry, labour people, farm people or agriculture? It is becoming increasingly apparent that the proposal advanced by my leader and approved by my hon. friend from Edmonton West and the rest of this party is gaining wide acceptance.

• (4:40 p.m.)

There was an editorial in the *Ottawa Citizen* today approving the suggestion. The words used were "split the bill". We are not precisely engaged in that exercise. We understand that the government is determined to get the bill passed and we are trying to facilitate its passage as well as we can. But what we do want is an opportunity for those sections which must be passed, and which are obviously required at this time, to be enacted, to be implemented, as they will be upon Royal Assent. When that happens, all the clauses of the bill to which a delaying clause is not attached will become law. I think it is desirable that the clauses to which I have referred should be enacted and implemented. We shall be prepared to do even more than we are doing now to facilitate the passage of the bill so that there may be a completion of this debate, and I hope hon. members to my left in the New Democratic party and the Cr ditistes can be persuaded to join us in seeking that the bill is passed if an arrangement of the kind I have mentioned is made. But it should be clear that the sections which in our opinion are repugnant or undesirable or unclear and in need of amendment will be the subject of a proclamation motion. This would mean they could only be implemented upon what is known as an affirmative resolution continuing the proclamation being brought into the House, debated and approved.

These are the issues which are being discussed at various levels at the present time. I have every hope that the government will be persuaded to see the merits of the proposal which the Leader of the Opposition has made. I say this because it is becoming apparent that all sections of our economy and of our social structure believe it to be a sensible one. The business writers in all the newspapers of the country are not legion in number, I know, but they do speak for a substantial section of the community and they have almost universally declared that a compromise of the kind I have described should be adopted. I heartily agree with the pertinent remarks of my hon. friend from Vegreville as to the need to encourage small business as part of the economic and social structure of the country.

Just the other day the Retail Merchants Association, which reflects the views of thousands of small business people said: In the name of Heaven defer these provisions in the bill. As for the farmers, I have been out west twice in the last ten days or so, over each weekend. The farm population is concerned without exception about the impact of this bill upon them. They are not clear as to what its ultimate effects may be. They have said: You are right. The proposition advanced by the Leader of the Opposition amounts to a sensible and reasonable compromise without loss of honour on either side. Defer the bill. The members of this party believe that is a tactic which is eminently suitable.

**Mr. Gibson:** No doubt.

[Mr. Baldwin.]

**Mr. Baldwin:** The experts, the so-called experts, from the legal profession, the accountants and the tax experts, have all said practically the same thing. I realize there are also those who say: Let us settle the uncertainty. We do not like the bill, but at least let us have it. I do not think that is the correct attitude. We should be derelict in our duty if merely because we were unwilling to take the time to give the legislation the careful, though limited, scrutiny we are giving it at present from this side of the House, we should let the bill pass regardless of the consequences which might arise when it was finally implemented and the taxpayers had to worry about it. I recall, reading about this subject, that when the income tax was first enacted in this country it was called a temporary war income tax. That was in the days of the first world war. Its temporary nature has long been forgotten and these proposed amendments will become a burden fixed on the backs of taxpayers next year, the year after, the year after that and for many more years to come. The view of the minister and of the parliamentary secretary seems to be: blessed are the taxpayers of Canada, for they shall walk in the valley of permanent dependency.

It is for all these reasons that I support the proposal by my hon. friend the Leader of the Opposition. It would not be very damaging for the government. There is no question that further amendments to the bill are even now being considered. If I were a betting man and allowed to bet in this House I would venture a large amount of money that today, on the desks of members of the minister's staff, numerous amendments are awaiting consideration. I would prophesy that large numbers of amendments to this bill are even now being considered and when we go into the next session, the last pre-election session, I would be very surprised if the minister did not bring down an act to amend the Income Tax Act as amended by Bill C-259. I do not think there is any question about that.

**Mr. Gibson:** What about the pressure of Canadian nationalism and so on, and foreign ownership generally? Don't you think we should get on with these things?

**Mr. Baldwin:** A very interesting question. I would estimate that this bill, Bill C-259, was before the cabinet for several months. This delay in processing the legislation through the rigid and antedeluvian structure the Prime Minister has set up—

**Mr. Gibson:** Time spent in consultation, so that the people might know what was being done.

**Mr. Baldwin:** After all that, he wants us to put the bill through in a very few weeks. As to the entire subject of foreign ownership, it is only because somebody saw fit to exercise his own judgment—I do not say he was necessarily right in doing so—in deciding to make public the information the government had before it that the people have any idea about the government's thinking on the question.

**Mr. Gibson:** You are begging the question.

• (4:50 p.m.)

**Mr. Baldwin:** This government has been sitting on a decision on foreign ownership for long enough to hatch all the eggs this country needs for the next ten years. I suggest the hon. member has raised a non sequitur. It is