

*Income Tax Act*

given to the possible necessity of introducing in the future some further change in this respect.

Clause agreed to.

Clauses 14 to 18, inclusive, agreed to.

On clause 19—*Application of section.*

**Mr. Fleming (Eglinton):** There is an amendment to clause 19, notice of which was given, which is to be found in yesterday's *Votes and Proceedings* on page i of the appendix. I would ask my colleague, the Minister of Public Works to move this amendment.

**Mr. Green:** I move:

That Bill C-48, An act to amend the Income Tax Act, be amended by striking out lines 25 to 34 on page 11 thereof and substituting therefor the following:

'unless,

(a) in the case of a corporation that had a taxation year ending before 1959, the corporation was during its last taxation year ending before 1959 and each subsequent taxation year, if any, previous to the particular taxation year a foreign business corporation,

(b) in the case of a corporation incorporated on or before April 9, 1959 that did not have a taxation year ending before 1959, the corporation was during its first taxation year ending after 1958 and each subsequent year, if any previous to the particular taxation year a foreign business corporation, or

(c) in the case of a corporation that had a taxation year ending on or before April 9, 1959, the corporation was during its taxation year in which that date occurred and each subsequent taxation year, if any, previous to the particular taxation year a foreign business corporation, and had during that part of its taxation year in which that date occurred that was before April 10, 1959 business operations that complied with one of the conditions contained in paragraph (c) of subsection (2).'

**Mr. Fleming (Eglinton):** I may say, Mr. Chairman, that the purpose of the amendment is to enlarge the conditions under which corporations can qualify as foreign business corporations under this provision.

**Mr. Benidickson:** Mr. Chairman, the minister will recollect the debate we had at the resolution stage. It was only because of a little better assistance from the hon. member for Bonavista-Twillingate that we got from the minister some indication of why the administration felt that a change was necessary here. I am not going to deal further with it. I realize in effect we have a pause. The administration indicates that in the meantime they are giving consideration to all the aspects connected with this. I just want to say, because this seems to be the best opportunity of saying it—and I am not scolding—that in every possible way I think the minister should, in introducing a bill of this kind which imposes a tax upon people, see to it that it is presented to the house at a time when it will get the widest possible publicity

[Mr. Fleming (Eglinton).]

among the trade and financial papers and people who are expert in these matters. I mentioned this to the minister before, I think. As it happens, there was a delay in presenting this bill. I think it only came before the house for first reading on Wednesday last, and the bill amending the Excise Tax Act on the same day. A humble member was not able to get a copy of the bill until Thursday. I simply want to say to the minister that to my mind it is important in a democracy that the widest possible advance notice be given of amendments such as he is now proposing, resulting from presentations that have been made to him.

The minister and the administration should seek to have their views in this respect put in bill form at a time sufficiently in advance of debate in the house to ensure that people from coast to coast in our widespread country will have the opportunity to know the implications. I must also confess that it is a great advantage to humble people in the opposition to receive comments from these people.

But this was not possible in one or two respects and irrespective of whether or not the minister is moving on I suggest to him but more particularly to the officials that they should always see to it that amendments involving changes that are not in the resolutions and the bills are announced to the public before the House of Commons is asked to deal with them.

**Mr. Fleming (Eglinton):** I think we have tried to do that. This is a shorter bill than usual in the case of the amendments to the Income Tax Act. The bill follows the provisions of the resolutions which were before the house and the country for three and a half weeks prior to being adopted in committee of ways and means, and six days have now passed since the bill was introduced and given first reading. I think the bill has had wide publicity. We had the benefit of the usual discussion between officials of the department and the representatives of the Canadian tax foundation. They were here last week for detailed discussion which, as the hon. member knows, is customary, and following that detailed discussion Mr. Perry, the director of the tax foundation, intimated to me that they had no submissions to make on the bill.

So far as the amendment now introduced is concerned, it is one which widens the provisions of the bill and to that extent it can be regarded as a relieving section.

**Mr. Benidickson:** I simply want to say that the minister and his officials should be well aware that our financial papers usually come out on Wednesday or Thursday. They have