

Income Tax Act

Schedule C was in the traditional narrative form attached to most budget bills or income tax bills. In Bill C-259, the provisions of Schedule C are worded in the legal language of a bill. These provisions or descriptive words of Schedule C necessarily had to be converted into the more precise legal terminology suitable to a bill and suitable to legal interpretation. These provisions are not worded precisely the same as the ways and means provisions, but they are in agreement or in harmony with, that is, in accordance with the ways and means motion.

Surely, if Bill C-259 is to be held out of order because it is not precisely the same as Schedule A of the ways and means motion, it also would have to be out of order because it is not precisely in the same form as Schedule C of the ways and means resolution. But this formulation in Schedule C is in the traditional form that has received hallowed approval by this House over many years and has unquestionably been held in order. In other words, the transference from the traditional descriptive language of a ways and means resolution, the narrative or descriptive form, to the precise wording of the bill, with all the necessary alterations that the transfer from narrative to legal precision may mean, have always been held in order by the Speaker and by the House. Indeed, I submit to Your Honour that it has been accepted for the entire history of the Canadian Parliament as correct procedure that a tax bill, while being in accordance with the ways and means resolution, need not be precisely the same as the verbal formulation of the ways and means motion.

Let us consider the situation in which the House of Commons or the committee of the whole would find itself if it were to be restricted in the fashion implied by the learned member for Edmonton West. It would mean really that the ways and means resolution, if we were to follow his argument to its ultimate conclusion, would be so binding on the formulation of a bill that amendments put to the committee of the whole could not be allowed if they strayed from the precise terms of that resolution. Of course that cannot be so because it would hamstring the operation of the committee and, through the committee, of the House.

I submit to Your Honour that what we are dealing with here is something that is in general harmony and agreement with the resolutions. I submit to Your Honour that the bill qualifies under that description and, moreover, that we are dealing less with ways and means than with variations in the incidence of tax within the general umbrella of ways and means. For both these reasons I submit to Your Honour, when you take it under deliberation, if that is the way you wish to deal with it, that these arguments confirm the procedural validity of the bill.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the hon. member for Edmonton West (Mr. Lambert) raised three points of order. The Minister of Justice (Mr. Turner) dealt with only one of them. I suppose that that was appropriate because only one of the points of order is really before us at this moment. I think my friend, the hon. member for Edmonton West, would admit that the other two are hypothetical, but at some point they will have to be faced.

I would like to say a few words about the point that is actually before us at this moment, namely, the variations

between the ways and means resolution and the bill. In plain talk this boils down to variations between Schedule A to the notice of ways and means resolution and Bill C-259. Let me say quite openly that the suggestion was placed before the House leaders that instead of the government being asked to prepare a ways and means resolution that was in paragraph style and that would take 1,000 or 2,000 pages to draft, it would be just as appropriate to submit as a ways and means resolution Schedule A which, in effect, would be an advance printing of the bill.

We, the House leaders, are reasonable, sensible people and since this suggestion made common sense we agreed to it. Now, we are not going to turn around and say that because we agreed to it we are going to insist that the precise wording of Schedule A must not be altered in any respect in Bill C-259. After all, we have to treat Schedule A as a resolution, as laying down the general lines that Bill C-259 must follow. I am afraid we are imposing a rather monumental task on the Chair and the table. I hope you have some spare time to go through these volumes, and you will need some extra staff to carry them around with you as well. However, I do think that each of the changes will have to be looked at to see whether Bill C-259 does carry out the terms that were prescribed in Schedule A. I will not quarrel for one moment with changes that were corrections of errors or changes that are improvements in language, but I submit that there are at least a few examples where there are important changes in substance. When that happens, it seems to me that if our rules apply at all a way will have to be found to validate such changes.

Let me quote just one example to support my contention that there are changes that are matters of substance. Clause 123 in Schedule A reads as follows:

The tax payable by a corporation under this Part upon its taxable income or taxable income earned in Canada, as the case may be, (in this section referred to as "the amount taxable") for a taxation year is, except where otherwise provided, 50% of the amount taxable.

It is as clear as can be that the corporation tax for a taxation year—and I think that means any taxation year after this clause comes into effect—is 50 per cent of the amount taxable. But when I pick up Bill C-259 and look at clause 123, this is what I find:

• (3:50 p.m.)

The tax payable by a corporation under this Part upon its taxable income or taxable income earned in Canada, as the case may be, (in this section referred to as the "amount taxable") is, except where otherwise provided,

- (a) for the 1972 taxation year, 50%,
- (b) for the 1973 taxation year, 49%,
- (c) for the 1974 taxation year, 48%,
- (d) for the 1975 taxation year, 47%, and
- (e) for the 1976 and subsequent taxation years, 46%, of the amount taxable.

Now, Mr. Speaker, that is no mere correction of an error; that is no mere refinement of what was intended in clause 123 of Schedule A, but is a change from a proposal that the corporation tax be set at 50 per cent so long as this law is in effect, to a proposal that it be 50 per cent in 1972 and then graded down during the next several years.