

*Research*

**Mr. Drury:** Mr. Speaker, I think that a number of hon. members are here as a result of the understanding which had been reached among the house leaders. I may point out that one of the reasons for the understanding reached is that the present income tax incentive legislation under section 72A of the Income Tax Act is, as I mentioned in my earlier remarks, due to expire at the end of the current 1966 taxation year. I think that no one in the house would wish a gap or hiatus to be left in which there might be uncertainty as to what the future holds in this very important field. I suggest that perhaps the house would prefer to proceed with this measure which, I agree with the hon. member, is important. I would also suggest that it is necessary that we pass the bill before the end of the current year.

**Mr. Fulton:** I realize that the calendar year expires on December 31st but I had the impression that the taxation year ends on March 31st. Is that not so?

**Mr. Drury:** Although I am not giving a legal opinion, the government's fiscal year ends March 31. It is normal for most corporations to have their taxation year coincide with the calendar year.

**Mr. Lewis:** Mr. Speaker, I should like to put a question to the minister. Has he made any calculations as to the amount of money that may be involved in the grants proposed under the bill?

**Mr. Drury:** Mr. Speaker, it is assumed that initially the grants will be roughly the same as those now claimed as deductions under the Income Tax Act because the legislation does provide statutory grants to corporations which are not in a profit position. If the hon. gentleman would like an estimate of the amounts in the past years, I would be glad to provide it.

**Mr. Lewis:** I think it would be interesting to know, Mr. Speaker. I do not blame the minister for not having the information, but it would be useful to have on record the amount of money which is involved.

**Mr. Olson:** Mr. Speaker, on this point I think the minister is obliged to provide the house with an estimate of the cost of the legislation which has been brought in if it does not coincide with the amount which was written off income tax in the past. In addition, the government is under obligation to give an estimate of the total cost of the legislation which is proposed.

**Mr. Drury:** Mr. Speaker, may I point out that this legislation is what one might call enabling legislation. The amount to be provided to meet these grants, as in other instances, is normally provided through the Appropriation Acts.

**Hon. Marcel Lambert (Edmonton West):** Mr. Speaker, may I say first of all that I find it extraordinary that the minister was hoping that this legislation would go through after midnight. I can do nothing more than endorse most vehemently and with all the energy I have the remarks made by the hon. member for Kamloops. This is a 15-page bill. It contains measures which I am sure have more than baffled the minister in their complexity because these are very complex income tax provisions. This house has not had this legislation for any great length of time. The bill was given first reading on December 6. I find it a somewhat lame excuse for the minister to come forward at this late date and say that we must pass it before the end of the year. I would say that if this is important legislation then, to put it crudely, this is a hell of a way of running the shop because this legislation should have been before the house long ago.

I am sure the minister will appreciate the fact that members of this house should be afforded the opportunity of studying the legislation unless they are to sit here as mute cattle and not say anything. Opportunity should be given to the opposition to examine the legislation in detail. The minister knows that when his colleague, the Minister of Finance (Mr. Sharp), comes forward with income tax provisions he always affords the house the opportunity of detailed study. Detailed examination of this measure should be undertaken by the bodies which may be affected, namely, the manufacturers' associations and some of the research bodies which might be interested in this type of provision. However laudable may be the government's objective in putting forward the legislation, the very complexity of such provisions may defeat their objective.

Although I must say that I have not been able to give the bill the fine tooth comb treatment I can see already that there are some great lacunae in it. First of all, the definition which has been given to "corporation" will mean that most industries will not benefit from such research in Canada because their operations in Canada are carried on either by divisions of foreign companies or by foreign companies merely registered in Canada. The definition in clause 2 completely eliminates