

Income Tax Act

tion where discretionary powers are granted to the minister.

• (4:30 p.m.)

I now come to the third matter. I referred to this in my speech earlier this afternoon. If a company is controlled by a public company or non-Canadian ownership interests, it cannot in any way qualify for the small business provision. I think the parliamentary secretary owes the committee a very serious and detailed explanation. Is this to be the thrust of the government's foreign ownership policy? I do not want to return to that in great detail, but is that going to be the thrust?

Other companies which may not qualify for the small business provision are companies without Canadian active business income. In other words, they may not qualify if the income is from investments. Corporations that have Canadian business income can only use the rate for that income and not foreign income, interest income, or other passive income. Why the distinction? If a Canadian company has foreign business income, why can it not use the provisions of the small business section? If it has business income from non-Canadian sources, why should it not be able to use that? There are many answers required to a multitude of questions. Before this committee should even be asked to pass these sections, there must be some answers. I can go on and on with regard to these particular subsections.

What about these ineligible investments and all of these things that come under sections beyond section 125? I wonder if the parliamentary secretary is now in a position to reply to this series of questions. We cannot participate in an intelligent debate until we know the position of the government. I have directed several questions to him. I hope we can get some answers. I do not want to embarrass the parliamentary secretary. I know the minister is not here this week and the Minister of National Revenue will be taking over later. The Parliamentary Secretary to the Minister of Finance is likely participating in some rejoicing as the result of a certain football game which was played in the rain.

Mr. Marchand (Kamloops-Cariboo): What do you mean?

Mr. Lambert (Edmonton West): The hon. member for Kamloops-Cariboo should not boast about the weather in his province after that kind of a show for the Grey Cup.

Mr. Baldwin: Mr. Chairman, I am moved to make a few comments on this aspect of the bill. I am interested when I see the faces of members in the government benches. I am sorry the hon. member for Winnipeg South Centre is not in the chamber. He was here a few minutes ago. He did not hear the very reasonable answer by the hon. member for Vegreville with regard to the length of time that is being spent on this bill. He complained about this and made a comparison with legislation in the United Kingdom. I agree with and want to reinforce the answer given by the hon. member for Vegreville.

The debate in the United Kingdom, in the Mother of Parliaments, if I can use the hallowed phrase which the hon. member for Winnipeg South Centre used, was on a simple motion on the question of whether or not the United Kingdom should enter the common market agree-

ment. This is to be followed by a number of legislative proposals. The debate on the motion was limited to eight days by agreement. The labour party has made it quite plain that it intends to debate, as long as possible, the issues involved in the legislation which will deal with the type of agreements to which the United Kingdom will be asked to subscribe in order to bring her into the common market.

I hold no brief for the labour party. They may have just cause for doing that. However, there is this distinction to be made. The government bringing in the legislation in the United Kingdom is a Conservative government. I think it is notorious that a Conservative government always brings in good, sound legislative proposals.

An hon. Member: They allocate time.

Mr. Baldwin: Of course, they do. In this case the opposition agreed to eight days on a motion. What happened here when the hon. member for Skeena attempted to move for the approval of the unanimous recommendation of the Standing Committee on Indian Affairs and Northern Development? The government cut off debate after one day. When do we have a situation in which the government will allow this House to debate one motion for eight days? There is the distinction.

It is well known that any government of Conservative persuasion will inevitably bring in good legislation.

Some hon. Members: Oh, oh!

Mr. Baldwin: I see that no one challenges me on that score. It must be accepted. The hon. member for Hamilton-Wentworth rose on a question of privilege because he represented a constituency of simple, working men.

Mr. Gibson: I did not say "simple". They are hard-working men.

Mr. Baldwin: I was thinking of their representation, that is all. Surely, he must realize that on the question of incidence of taxation, with the possible exception of capital gains tax, taxation is always an element in the charges which are passed on by business, corporations and individuals. This cost is always passed on to the consumer, regardless of whether it is for services or goods. The incidence of taxation, whether it is bad or iniquitous, inevitably falls on the back of the consumer. It does not really matter whether you represent corporations or simply consumers.

I want to follow up the point raised by the hon. member for Edmonton West last Friday, and repeat it today. It bears directly on this group of sections with which we are now dealing. I hope the parliamentary secretary will have time to absorb the very searching and brilliant questions asked by the hon. member for Edmonton West in order to reply to them when I have completed what I have to say.

The issue with regard to the wisdom of taking this group of sections, together with others to which we have referred, and deferring their ultimate implementation to some time in the future certainly appeals very strongly to me. It should also appeal to other members of this committee. We are now beginning to see, hear and read that an increasing number of Canadians are terribly concerned about what will be the ultimate effect of many of