

*Income Tax Amendment*

change that it contains is a change to section 20 of the Bank Act which removes the possibility of the Bank of Canada acting as a banker or financial agent for the government of any province. It is our contention that the Bank of Canada already has partial authority under this portion of the act to do what we have advocated for a long time, that is to set up a municipal development bank which would be administered by the Bank of Canada, with the co-operation of the provincial governments. Of course we have not been very successful until now in convincing the Minister of Finance or any previous minister of finance to go ahead and make such provision in the operation of the Bank of Canada. However, in my view this amendment would remove one of the authorizations which would be required for the Bank of Canada to do this at some time in the future. Therefore, without going into detailed explanations of all the benefits which would flow from the establishment of a municipal development bank I will simply move that clause 11 be deleted.

**Mr. Sharp:** Mr. Chairman, to ensure that the attitude of the government is quite clear let me say that we believe it is not desirable to continue the present section in operation without amendment for the reasons that I have quoted from the royal commission report. I believe that the continuation of these powers to enable the Bank of Canada to act as the fiscal agent for the provinces is leading to misunderstanding and ambiguity and could at some time in the future interfere with the effective operation of our monetary policy.

**The Chairman:** The hon. member for Medicine Hat moved that clause 11 be deleted. If this amendment were carried it would have exactly the same effect as if the committee were to vote against the clause. I would therefore interpret the amendment moved by the hon. member for Medicine Hat as an expanded negative and as such I consider it to be out of order.

**Mr. Olson:** If it is out of order on that ground, Mr. Chairman, I will ask for a standing vote on clause 11.

Clause 11 agreed to: yeas, 66; nays, 7.

Title agreed to.

Bill reported.

**Mr. Deputy Speaker:** When shall the bill be read the third time?

**Some hon. Members:** By leave, now.

**Mr. Scott (Danforth):** At the next sitting of the house.

[Mr. Olson.]

• (4:00 p.m.)

**Mr. Sharp** moved the third reading of the bill.

**Mr. Deputy Speaker:** Is it the pleasure of the house to adopt the motion?

**Mr. Olson:** I should like to have it noted that this bill is read a third time on division.

Motion agreed to and bill read the third time and passed.

**INCOME TAX AMENDMENT****INCORPORATION OF PROVISIONS ANALOGOUS TO THOSE IN CANADIAN VESSEL CONSTRUCTION ASSISTANCE ACT**

**Hon. Mitchell Sharp (Minister of Finance)** moved the third reading of Bill No. C-259, to amend the Income Tax Act and to repeal the Canadian Vessel Construction Assistance Act.

**Mr. Monteith:** Could we have the yeas, and nays, Mr. Speaker?

**Mr. Speaker:** All those in favour of the motion will please say yea.

**Some hon. Members:** Yea.

**Mr. Speaker:** Contrary minded, please say nay.

**Some hon. Members:** Nay.

**Mr. Speaker:** In my opinion the yeas have it.

*And more than five members having risen:*

The house divided on the motion (Mr. Sharp) which was agreed to on the following division:

• (4:10 p.m.)

**YEAS****Messrs:**

Allard	Cantin
Allmand	Cashin
Andras	Choquette
Asselin	Chrétien
(Richmond-Wolfe)	Clermont
Badanai	Comtois
Barnett	Côté (Dorchester)
Basford	Côté (Nicolet-Yamaska)
Batten	Deachman
Beer	Douglas
Benson	Drury
Berger	Énard
Blouin	Ethier
Boulanger	Faulkner
Brewin	Favreau
Brown	Fawcett
Byrne	Forest
Cadiieux (Terrebonne)	Foy
Cameron (High Park)	Gauthier
Cameron (Nanaimo- Cowichan-The Islands)	Gendron
	Gilbert