

*Income Tax Act*

He pointed out the last paragraph of an editorial that suggests that hon. members take the course given by the CICA on tax reform. Well, CICA members—and I commend them for it—came here to give a full day's course to hon. members and that, at their own expense. I do not recall having seen a single Creditiste member attend this course. Where were they? How interested are they in this bill? How can they understand it, since they don't even go to the official information sources, which is not a partisan source.

This morning in the Montreal *Journal* I read that Creditistes sent a letter to the editor, Mr. Jacques Guay. A biology professor of the d'Iberville polyvalent school in Rouyn, said this:

You say loud and clear what many people think of Caouetteism, specially us in the north who are stuck with such a cave-man. You take sides with a good many of us who do not dare attack the "fuhner" for fear of reprisals. You know that in small towns, everybody knows everything; our Réal has informers everywhere, his own little Gestapo.

Mr. Robert Gobeil, on de Maisonneuve Street, Montreal, has this to say:

Mr. Caouette said that in Canada we are free to write anything but should he ever become Prime Minister—we would surely have our own little Pravda, because a reactionary party such as his, that advocates the death penalty as a deterrent against crime, would be forced to abolish the freedom of speech to remain in power—

There are other quotations. I do not think they are very relevant, but nonetheless I wanted to point out to Creditistes that they do not have the monopoly of truth in the province of Quebec and that in the next election, of course, they will have trouble getting one or two members elected.

Recently, the Minister of National Revenue (Mr. Gray) made a speech at the conference of the Canadian Tax Foundation and explained the steps taken by the department for the application of the new bill. He especially mentioned that the administration had been reorganized within the department itself, that an advisory tax committee had been created, that two new publications had been started: the information circular and the interpretation bulletin. Further on, in a spirit of open-mindedness he said, as recorded on page 14 of his speech, and I quote:

Therefore, in order to facilitate a smooth transition to the new rules, we have decided to agree to all requests received by the department to have a current fiscal year period end in 1971, provided they are made before December 31, 1971.

The CICA editorial dealt precisely with the problem which might arise should the department be unable to grant a longer period to accountants, to tax advisers, to all those closely interested in the question so that they may have time to digest the new complexities of the bill and to advise their clients. Especially as far as undistributed income on hand existing at the end of the fiscal year 1971 is concerned, it would seem that profit derived during a fiscal year prior to December 31, 1971 would not be taken into account in the undistributed income for a differed tax payment of only 15 per cent. If that is the case the department could, at this moment, give accountants and tax experts some more time to determine whether they should advise their customers to alter their fiscal year. At present, it takes quite a while to review the records and it

[Mr. Leblanc (Laurier).]

seems to me that perhaps it would be advisable to allow some more time.

• (4:10 p.m.)

Of course there would be another possibility: one could perhaps interpret a section of the bill in such a way that the amount of profits accrued up to December 31, 1971 would be spread on a daily basis, even if the fiscal year differs from the calendar year, as they do for income tax purposes. If the present situation continues, if there is no rectification, there could be discrimination against small businesses which do not have, on a daily basis, the services of advisers to tell them what they should do in the future in the light of the changes proposed in the bill.

The member for Regina East defined quite well the philosophy of his party, with which we cannot agree. I noticed that he attacked the parties of the opposition, especially the Progressive Conservative party. I therefore told myself that as the parties of the opposition cannot agree, it is a good thing that a time limit has been set for the debate, otherwise it would have gone on indefinitely.

A limit has also been set for third reading of the bill. This should be done more often. The people of Canada have the right to expect us to do something here in Parliament. But, when there is an abundance of speeches, as was the case with Bill C-176, we do not produce. So, since we have that tool at our disposal, we should use it more often, as does the British Parliament besides.

Obviously, I am against the amendment to the amendment moved by the hon. member for Regina East, not because it clarifies a point contained in the amendment moved by the hon. member for Edmonton West, but because the hon. member supports the principle that the bill should be referred back to the committee of the whole. If that amendment were adopted, chaos would prevail in this country, because businessmen have made plans taking into account the bill now under study and the tax experts, who have been working on it since July 15 or thereabouts, have spent a lot of money to understand the full scope of the proposal. Therefore, as the people expect it, this bill should come into force on January 1, 1972, as expected.

**Hon. Marcel Lambert (Edmonton West):** Will the province of Quebec be ready?

**Mr. Leblanc (Laurier):** The hon. member for Edmonton West often refers to the co-operation of provinces and especially of Quebec. I have already answered a point which he had raised in that connection.

Now, perhaps there is fact of which he is unaware and I would like to let him know that for over three weeks, the Department of National Revenue has been giving courses to Quebec tax inspectors. Those people have been sent to Ottawa to study the effects of the bill and to make recommendations to the provincial authorities, if necessary.

I had the opportunity of meeting three of those provincial tax inspectors in my office Wednesday night after the committee of the whole had completed consideration of the bill. They told me that they had undertaken their third week of the course and that chartered accountants of other provinces were also attending them.