

*Income Tax Act, 1986*

## Motion No. 6

That Bill C-84, be amended in Clause 132

(a) by striking out lines 13 to 16 at page 210.

(b) by striking out lines 19 and 20 at page 210 and substituting the following therefor:

"deducted after a day to be fixed by proclamation."

**Mr. Gauthier:** Point of order, Mr. Speaker. I may be mistaken but I think Motion No. 6 and No. 7 should be grouped together for debate. They are identical so I suggest we group them for debate.

**Mr. Blenkarn:** The same principle is involved even though the issues are slightly different.

**Mr. Deputy Speaker:** The ruling was that they would be debated separately. However, if the House agrees to debate them together?

**Some Hon. Members:** Agreed.

**Mr. Deputy Speaker:** Very well.

**Mr. Don Blenkarn (Mississauga South)** moved:

## Motion No. 7

That Bill C-84, be amended in Clause 135

(a) by striking out lines 19 to 22 at page 219.

(b) by striking out lines 25 and 26 at page 219 and substituting the following therefor:

"deducted after a day to be fixed by proclamation."

He said: Mr. Speaker, in the course of the committee hearings concerning the sections referred to in Motions Nos. 6 and 7, amendments were introduced to provide that the particular clauses would not come into force and effect until they were specifically proclaimed. Unfortunately, in the rush to put the Bill through and complete it during the day, the detail with respect to the particular clauses was missed. The concept is that employers required to deduct and remit CPP, unemployment insurance and income tax remittances to the Crown must do so and they become a first charge or trust arrangement on those moneys. A problem arises in connection with an insolvency or bankruptcy, however. In the last Parliament there was an offer by the then Minister of Consumer and Corporate Affairs that if special arrangements were given to allow some preference to wage earners in a bankruptcy or insolvency over and above the preferences presently allowed secured creditors, meaning the banks in particular for those who are not quite sure how this arises, and in connection with floating charge debentures, the Crown would waive its preference. The thrust of this Bill was to reinforce the Crown's preference to this money over and above secured creditors and the like.

There have been a number of discussions between the Minister of Consumer and Corporate Affairs (Mr. Côté) and the Minister of Finance (Mr. Wilson). The result is that the Government would like the matter to rest with the clauses passed but not necessarily proclaimed with this statute. I understand that the clauses will not be proclaimed until such time as the new Insolvency Act is available for discussion in this House and the matter has been brought to the attention of the House. The consequences are, Sir, that if these amend-

ments pass, the preference in favour of the Crown will not exist until proclaimed. That will certainly enable things to be proceeded with in a much easier way with respect to the Insolvency Act when it comes before the House. I therefore ask the House to accept these amendments which are of a technical nature and indeed are already contained in a number of other amendments passed in committee.

**Hon. Donald J. Johnston (Saint-Henri-Westmount):** Mr. Speaker, I just want to underline the fact that the Hon. Member for Mississauga South (Mr. Blenkarn), with his usual candour, pointed out that it was in the "rush"—I underline that word—to push this Bill through that these provisions were inadvertently dropped. I would remind the House that this was the very point made by Members on this side of the House, including the NDP. One does not rush one of the most fundamental amendments to the Income Tax Act which we have seen in many years. That is the point I would like to make.

**Mr. McDermid:** Tell us how it took you three years to pass a Bill when you were in Government.

**Mr. Deputy Speaker:** Is the House ready for the question?

**Some Hon. Members:** Question.

**Mr. Deputy Speaker:** The question is on Motion No. 6 standing in the name of the Hon. Member for Mississauga South (Mr. Blenkarn). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Mr. Gauthier:** On division.  
Motion agreed to.

**Mr. Deputy Speaker:** The question is now on Motion No. 7 standing in the name of the Hon. Member for Mississauga South (Mr. Blenkarn). Is it the pleasure of the House to adopt the motion?

**Some Hon. Members:** Agreed.

**Some Hon. Members:** On division.  
Motion agreed to.

**Mr. Deputy Speaker:** The House will now proceed to the taking of the deferred divisions at report stage of Bill C-84.

Call in the Members.

• (1800)

*And the division bells having rung:*

**Mr. Speaker:** The House will now proceed to the taking of the deferred divisions on Bill C-84, an Act to amend the Income Tax Act and related statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act. The first vote will be on the amend-