

Income Tax Act

The Chairman: Order, please. It is the understanding of the Chair that the committee will now proceed to sections 36 to 41 inclusive, 82 to 84 inclusive, 89, 112, 121 to 125 inclusive, 129, 143 and 181 to 197 inclusive dealing with corporations and shareholders.

On clause 1—Section 36: *Railway companies.*

Mr. Lambert (Edmonton West): First of all, Mr. Chairman, I was just wondering whether in that list read out you included all the appropriate sections that deal with corporations. For instance, I did not hear sections 123 and 124 mentioned, even though I may have heard 125. I have not got the list before me but sections 82 to 95 and 181 to 197 all deal with corporations. It seems to me any list would be incomplete, unless we were to deal with them all. I should like to be able to do that because there may be some disposition later this day in looking at some sections which—

The Chairman: Order, please. The Chair has some difficulty in hearing the hon. member for Edmonton West. Would hon. members please give their attention to the work of the committee?

Mr. Lambert (Edmonton West): Thank you, Mr. Chairman. I see my genial friend, the hon. member for Labelle is acting today—I am sorry, that used to be the name of his constituency—

[*Translation*]

Mr. Clermont: I rise on a point of order, Mr. Chairman. I have had the honour in the past of representing the Labelle riding. Now, it is my privilege to represent that of Gatineau.

Mr. Lambert (Edmonton West): Mr. Chairman, I apologize to the hon. member. I had no intention of giving offence to the people of the Gatineau riding, this was a mistake.

In future, I shall call the hon. member the Parliamentary Secretary to the President of the Treasury Board. In this way, I am sure we shall get along very well.

[*English*]

Mr. Chairman, at this point I would almost issue a challenge to the hon. parliamentary secretary to take this Committee through the complexities of the sections, and explain in what way Bill C-259 differs from the white paper provisions with regard to corporations. I think it is fair to say, as I was pointing out on Friday afternoon, that if any particular groups of sections require more time to be spent in studying them, in order that we may understand them, it is these particular groups. We have heard representations from professional bodies, from the Chamber of Commerce and from businesses, of all types. We heard representation from the tax foundation only a fortnight ago. The competence displayed at the annual meeting of the Canadian Tax Foundation two weeks ago at Vancouver vastly exceeds the professional and technical competence that is available to both the Department of Finance and the Department of National Revenue. It was the considered opinion of the Tax Foundation that more time should be made available for an examination of these particular sections in order that we may see whether they will accomplish what they were designed to accom-

[*Mr. Speaker.*]

plish, and also in order that departmental officials may be in a position to explain the complexities of these sections to business representatives who may ask for rulings or for some indication of the meaning of the blessed statute.

You know, Mr. Chairman, one must repeat this, and I will repeat it. There is no prerogative in the Crown in the presentation of a tax statute that is against the wishes of the public. Not only is it against the wishes of the public; it is also against the desires of the public as well as the understanding, particularly the understanding. If one seeks any reason as to why Bill C-259 or a substantial part thereof should be deferred, it is found precisely in this group of sections dealing with corporations and their shareholders. I will not pretend that I can explain to the House these provisions or that I can even track a tenuous way through their complexities. The hon. member for Outremont and my colleague on the finance committee, the hon. member for Laurier, will resist any challenge with regard to taking anyone through the complexities of these sections. They would be the first to resist any such challenge. If such hon. gentlemen who have great professional knowledge and competence with regard to tax matters confess their failure to being able to take anyone through these particular sections; if they cannot advise clients as to the meaning of the sections and what action should be taken in order to conform with them, and if they cannot at the same time advise clients as to the preferable course to be taken for the better conduct of their business, who on earth can interpret these sections with any degree of equanimity?

There is a further reason for my suggesting that the bill should be deferred, and it is this. The government was closely questioned today on something that has been the subject of public controversy for the past two weeks, the degree of foreign ownership of Canadian industries and the foreign ownership policies of the government. To all hon. members on the government side who are so prone to say: "Carried, carried"—

Mr. Gibson: Let us make some progress.

Mr. Lambert (Edmonton West): —may I suggest, and particularly to the hon. member for Hamilton-Wentworth, that the restrictions on small businesses contained in this bill constitute a complete prejudging of government policy on foreign ownership. I say that because the members of the Committee will be asked to adopt certain restrictions with regard to small business which may be at complete variance with the ultimate policy regarding the foreign ownership of Canadian business that will be announced by the government. Are we to take it that the restrictions contained in section 125, I believe, will not apply, or that they are government policy now? After all, section 125 defines a Canadian controlled private corporation and the small business provisions will apply only to Canadian controlled private corporations. The small business changes brought in by the government are a far cry from the recommendations of the House of Commons Standing Committee on Finance, Trade and Economic Affairs. To that extent, the parliamentary secretary must feel some chagrin, because he was chairman of the committee and presided over its deliberations when it came to these conclusions and many others having to do, particularly, with small, incorporated businesses.