

Income Tax

the Governor General in specific terms. I suggest respectfully that the government has exceeded the terms of reference which were brought before the House and that the clause we are considering now, if passed in its present form, would give the cabinet the right to tax instead of the House. My House leader has made a reasonable suggestion. Because of the importance of the substantive point involved, in view of the length of the bill and the progress made to date there can surely be no good reason for objecting to the clause being stood for consideration by the Speaker.

Mr. Chrétien: It is very often the case that propositions are put before the House of behalf of the government and debated, with the understanding that the rules will be established by regulation. We were discussing that the other day when I had a very agreeable exchange with the hon. member for York-Simcoe. We were talking about when the rate would be fixed. I said it would be fixed before the fall. We were discussing whether the rate would be flexible. I attempted at the beginning of the debate to explain why we were seeking the authority to make detailed arrangements of this kind.

In order that we should not spend the entire evening dealing with this point, I would make the following proposal: let us first vote on the amendment to scrap the whole thing. If that amendment is adopted there will be no need for the point of order. There will be no need to discuss whether it is legal or not. If, later, members on the other side want to take the whole clause into consideration, I can see no objection. There is some validity in the point they raise and I believe they have the right to raise it. There are a lot of precedents for the government's position, but I do not have them here. However, the Chair will look into them.

If the Chair rules that there is too much of a spread and that we should be confined precisely to the prescription in the ways and means motion, I will go along; it will not be the end of the world for me. I am not seeking broad powers. I just want to be fair. I am afraid that in any case we will not pass the bill tonight. It is not in the cards. I would point out that we are on the verge of closing our fourth week on this debate. I like it very much. I am happy. I am smiling all the time. We are having a lot of fun.

Mr. Stevens: That would be agreeable to us, Mr. Chairman. I do have a few comments to make and a few questions to put to the minister before we vote on the amendment, but after we have finished making our observations and asking any questions which hon. members may have in mind, there is no objection to voting on the amendment and then turning to some other aspect.

The Chairman: I want to satisfy members of the committee as far as possible, but I must say I still feel this question was raised at the wrong time. I would point out, too, that even the proposal by the minister, one which seems to be acceptable, indicates that the Chair was right in asserting that this point of order was raised at the wrong moment.

[Mr. Nielsen.]

● (2142)

I do not want to restrict expressions of opinion. The hon. member for Grenville-Carleton has requested that Mr. Speaker make a decision. We are in committee of the whole and the question is before the Chairman of the committee. I am sure the hon. member will accept my feeling that I should not request the Speaker to make a ruling on the operation of the committee over which I am presiding, unless my ruling is questioned. I would be ready to stand the clause by unanimous consent, leaving the way open to the hon. member to make his request when Mr. Speaker is in the chair, rather than to me. Otherwise I would be more or less making a decision which strictly I have not been asked to make, the request being made of Mr. Speaker.

I hope we can resolve this problem without forcing me to make a decision, since there is apparently unanimous agreement among the committee. If hon. members are so agreed, I would be ready to listen to comments on the clause by the hon. member for York-Simcoe and perhaps permit the committee to vote on the amendment moved by the hon. member for St. John's West.

Mr. Stevens: Mr. Chairman, on the basis of your observations I should like to direct the minister's attention to the actual wording of the clause which appears at page 35 of the bill, paragraph (s). In considering my colleague's amendment, which really seeks to strike this provision, it is important we get the full purport of what the provision proposes to do.

The reason I refer to paragraph (s) is that, with all due respect to the draftsman, I do not believe is comprehensible. Essentially, Mr. Chairman, it is worded in such a way that it could be non-applicable. It provides that the income of a taxpayer will be taxable if—and then paragraph (s):

—the amount of any grant received in the year under a prescribed program of the Government of Canada by

(i) the taxpayer, other than a married taxpayer who resided with his spouse at the time the grant was received and whose income for the year is less than the income for the year of his spouse, or

(ii) the spouse of the taxpayer with whom he resided at the time the grant was received, if the spouse's income for the year is less than the income for the year of the taxpayer.

I am sorry the minister has left because I wanted him to explain in relatively simple language what on earth the officials have in mind by such complicated wording, wording which I have been advised by tax lawyers is incomprehensible.

Mr. Lumley: Basically, Mr. Chairman, what the provision is saying is that it is brought into the income of the husband unless the income of his spouse is higher, when it would be brought into her income.

Mr. Stevens: The officials may have told the parliamentary secretary that that is what they thought they had said, but that is not what they have in fact said. If my colleague's amendment is defeated, then this is another matter we may have to consider. If paragraph (s) cannot be reworded so that it says what the parliamentary secretary has apparently been told is what the bureaucracy thought they were saying when they