

cussed, but for tomorrow it is agreed that we will deal with clause 2 of the bill.

**Mr. Knowles (Winnipeg North Centre):** Mr. Chairman, is the parliamentary secretary reasonably hopeful that we will not take as long on clause 2 as we have on clause 1?

**Mr. Jerome:** Very much so.

**The Chairman:** To review the position, it is the understanding of the Chair that section 225 was stood by consent and it is the understanding of the Chair that with the consent of the committee it shall remain stood. The committee next has under consideration section 231(2) to which there is an amendment moved by the Minister of National Revenue. That amendment was put to the committee and passed. I am now prepared to put the question. Shall section 231 as amended carry?

On clause 1—section 231: *Investigations.*

**Mr. Clermont:** Mr. Chairman, may I propose to the hon. member for Edmonton West that section 231 be made to stand?

[English]

Clause 1, section 231, stands.

Clause 1, sections 232 to 234 inclusive, agreed to.

**The Chairman:** Shall section 235 carry?

On clause 1—section 235: *Penalty for failure to make returns.*

**Mr. Lambert (Edmonton West):** Mr. Chairman, this of course relates to section 239 and in the same way but to a lesser degree to section 233. In section 233 there is an obligation to file information. It is not a return, but failure to file the information as a result of the request by the minister, which means one of his officials, is non-compliant with the act. It is unfortunate that the Minister of National Revenue is not present.

There are a number of areas in which regulations can be made and authorized. There are a number of new sections which will call for new regulations. Section 221 authorizes the Governor in Council, on the recommendation of the minister, to make regulations in order to carry out all general purposes of the act. Following the presentation of a brief by the Canadian Chamber of Commerce to the Minister of Finance on Bill C-259, a letter from that body dated November 17 suggested that the public should see the regulations in draft form before the act was finally passed. This was done by the Minister of Industry, Trade and Commerce in connection with the textiles bill when the regulations that would be applicable were tabled in draft form. The committee on Finance, Trade and Economic Affairs did not put a stamp of approval on the regulations but at least the public knew what they were.

The regulations under the Income Tax Act may be half as thick as the act which is before us. Certainly the regulations as they existed were about the same thickness as this blue, unilingual version of Bill C-259. There are many new terms and concepts in this bill which will have to be defined and explained by way of regulation, yet the Canadian public has seen nothing although the act is supposed to take effect on January 1, 1972.

### *Income Tax Act*

There is no one here from the Department of National Revenue. It is unfortunate that the officials cannot speak because I would like to know whether they have any regulations ready with regard to capital gains and with regard to mining and petroleum which will be effective on January 1.

**An hon. Member:** They don't care.

**Mr. Lambert (Edmonton West):** If valuation day should be in the latter part of December, how can we tell whether a capital gains tax is payable if there are no regulations? Canada will be in the most ludicrous position. It will have a capital gains tax in effect but the vendor, the purchaser nor representatives of the Department of National Revenue will be able to tell what regulations bear upon transactions starting January 1, 1972. We are supposed to be running a logical, intelligent operation. I wish the officials could talk and tell us if the regulations are ready. Can either of the parliamentary secretaries tell us whether the regulations are ready on capital gains?

**Mr. Clermont:** Mr. Chairman, I understand that section 235 deals with penalty for failure to file returns. It does not deal with regulations generally.

**Mr. Lambert (Edmonton West):** Is that an answer, when this section deals with a failure to file a return pursuant to regulations passed under other two sections? Does the parliamentary secretary have the gall to tell us that this does not deal with regulations? I will specify it: Are the regulations with regard to sections 215 and 221 ready? I want to know.

• (9:40 p.m.)

It may be that because they are a carryover the regulations will be much the same. But they have not been enacted. They would have to be enacted by a new order in council to make reference to the new sections. Even if section 221 has been passed, I am still in the general area and can talk about this subject. Have the regulations been made with regard to these matters?

Maybe the parliamentary secretaries do not read this kind of correspondence, but the Canadian Chamber of Commerce has asked for assurance that they will see regulations which will affect transactions starting on January 1. The parliamentary secretary will agree with me that if there is a transaction in the first week of January which is to be affected by regulation, the parties to that transaction should surely be in a position to know what the regulations are. The regulations might completely change the position of the parties. I want to see them. Surely to goodness we should be entitled to an answer.

Where is the Minister of National Revenue? I was assured yesterday he would be on duty today so as to answer questions. I do not hold it against the two hon. gentlemen who are here. They have not been placed in the position of having the information. Merely to sit there and have to take abuse is an ungrateful job, I understand that. But information of this kind is vital to the committee when it is called upon to determine whether it will pass sections under which vital regulations are supposed to be made. The bill is supposed to be operable in a month from now. Will the regulations be ready by January 1?