

Without restricting the generality of Section 3, there shall be included in computing the income of a taxpayer for a taxation year—

Then there are all kinds of subheadings right down to (r) in the present act. A little later I will read (s) which is the one they now want to bring into effect. It would say that they may tax any prescribed program of the Government of Canada.

My question is: what authority has he which allows them to shift from an income tax motion that is quite narrow in its ramifications to a proposed subsection in this act that is much wider?

**Mr. Chrétien:** Mr. Chairman, I do not have anything to add to what I said in my explanation earlier.

**Mr. Stevens:** Mr. Chairman, may I ask the minister why the section is not clear and why does it simply not refer to a grant received under the Canadian Home Insulation Program, period? Then there would be no doubt.

**Mr. Chrétien:** Mr. Chairman, I explained what the government is seeking. If we have to change the program, we want the power to make the added grant like the original grant. It is as simple as that.

**Mr. Stevens:** Will the minister go further and indicate what his officials have in mind? Obviously he is not familiar with the subsection. What do his officials have in mind as to the things they will include as prescribed programs of the Government of Canada that might subsequently fall under this subsection?

**Mr. Chrétien:** Mr. Chairman, I explained to the hon. member why we want this broader power. If we decide to give a grant in a fashion that it can be taxable and part of it therefore returned to the Crown if it goes to a different class of citizens, the principle is there. The hon. member is right when he says that is what we are seeking. That is exactly what we are seeking. I admit that very clearly to the committee.

I am not hiding anything. It is not for the officials to decide what kind of grants there will be in the future. It is up to the government to decide.

It is the government that is the government, not the officials.

**Some hon. Members:** Hear, hear!

**Mr. Stevens:** Mr. Chairman, those backbenchers have to do that periodically just to stay awake. They somehow remind me of seals. They have to flap their flippers now and again.

On a point of order, Mr. Chairman, may we have a ruling as to whether subclause (5) is in fact within the income tax motion before us. In short, is it proper? Bearing in mind the income tax motion and the wording before you, Sir, has the government got the authority under that motion to propose subclause (5) the way I have outlined it?

**The Chairman:** I am very much aware of the point raised by the hon. member and his preoccupation with it. However, I must say that the point of order he is raising is being raised at the wrong time. The clause as it is in front of the committee

### *Income Tax*

in its entirety. I find great difficulty in accepting the point of order and making a judgment on a subclause in regard to which there is already an amendment put forward by the hon. member for St. John's West which is proposing to eliminate the subclause. This does not prevent reconsideration at a later moment, but right now, looking at the matter technically, we are considering the amendment of the hon. member for St. John's West to delete that subclause. The matter is not closed, but hon. members will find it hard to convince me that this is the right time to deal with this matter.

● (2132)

**Mr. Baker (Grenville-Carleton):** The difficulty here is that what is contemplated in the statute goes beyond the recommendation of the Governor General. This is very serious, if it is the case. I suggest, with respect, that an issue of this magnitude can be raised at any time, notwithstanding the fact that an amendment has been put to a clause which may well be invalid, depending upon the finding of Mr. Speaker. You have suggested, Mr. Chairman, that the committee has no power to deal with that aspect but, with respect, I ask you to reconsider that opinion. I do think this is an issue of such magnitude that the clause ought to be allowed to stand until the point of order has been dealt with. In the meantime we could go on to deal with another clause. In my view, the members who have spoken have raised a valid point, and I respectfully suggest we let the matter stand in anticipation of a ruling by the Speaker of the House after hearing argument from members on both sides, should that be considered necessary.

[Translation]

**Mr. Chrétien:** Mr. Chairman, I find it quite funny that hon. members are assuming rightly that the motion of the hon. member for St. John's West will be soundly defeated when the vote is taken and I entirely agree with them. As for the point of procedure, Mr. Chairman, I gave the explanations deemed necessary to the committee and I leave it to the Chair to decide on the point of procedure.

[English]

**Mr. Nielsen:** It is not a question of having any fear about the amendment being defeated.

**Some hon. Members:** Oh, oh!

**Mr. Nielsen:** The minister laughs, but I am being quite sincere in making my contribution to this argument. One of the fundamental principles with respect to any taxation legislation is that it must be warranted by the Governor General and it is usually brought in under very restrictive terms. Thus, the application of the tax legislation is confined to the home insulation program. What the government is seeking to do in this legislation is to apply taxation to any program, not simply the insulation program, which takes from parliament the right to tax these other programs and gives that power entirely to the cabinet.

Centuries of our parliamentary practice make it clear that all taxation measures must be introduced by a message from