

Income Tax Act

and the staff in his department. One cannot help but wonder what the outcome will be, now that the Liberal government has set up its Department of Industry. We know about the great numbers of staff they are accumulating to deal with these problems, at a tremendous expense to our country, and we wonder whether the results will justify this expenditure when so much was accomplished by so few under the last government.

Mr. Gordon: Mr. Chairman, in rising to answer some of the questions that have been raised on clause 1 of the bill perhaps I may be permitted to deal with one or two of the questions that were raised earlier in debate. Before doing so may I say I am sure the Minister of Trade and Commerce would join me in agreeing with the hon. member for Peterborough that the ex-member for Broadview, who at one time was minister of trade and commerce, did do a good job. I should like to see him back in the house some day.

Many suggestions have been made during the course of the debate about ways to improve the Income Tax Act and, as I said earlier today, the officials of my department are making notes of all these points. I am thinking particularly, as I said earlier, of the point made by the hon. member for Quebec West and others about charitable donations. I am thinking about the point made with regard to deductions for part time students and a number of other suggestions that have been made for concessions and assistance to various worthy groups in our society. These will be recorded and they will be studied and considered before the next budget.

I do not think it would be profitable to repeat the remarks I made at the outset of the debate on second reading, which was over two weeks ago, as to the objects and the purpose of the bill. If I may, I would, however, like to refer to one or two of the speeches that have been made. If hon. members will cast their minds back a couple of weeks they will recall the interesting and wide ranging speech made by the hon. member for Nanaimo-Cowichan-The Islands in which he discussed, among other things, the whole process of budget making. He also referred to the effect that the United States interest equalization tax might have and suggested that Canada might take the lead in finding a solution to the international balance of payments problem. I can assure him that Canada is prepared to take an active part in the studies on international liquidity that are now being undertaken by the international monetary fund, and by some of the more important countries that are associated with that fund, including our own.

On other occasions both the Prime Minister and I have referred to the preparation of the annual budget, the way it is proceeded with in Canada and ways of improving it. There are those who suggested that they prefer the United States system under which the administration makes proposals to congress which are debated fully before the final legislation is decided upon. There are advantages in that approach and there are also disadvantages so far as tax changes are concerned. I suggest that it gives ample advantage, perhaps too much advantage, to powerful lobbyists to block measures which, while perhaps advantageous to the public as a whole, would be restricting the privileges and preferences of certain interest groups. In any event, our system of government is quite different from that of the United States. We do not have the same separation, as all hon. members know, of the executive and legislative arms of government, and for this reason I suggest that their system would not be appropriate for us.

It has been suggested that we should hold public hearings prior to the presentation of the budget and solicit suggestions and proposals in this way. We have given a lot of thought to this. If it were done it would be necessary to create some sort of board or permanent commission of officials to receive representations and have them argued out before that board or commission. I have not been able to think of any way to do this which would not involve considerable duplication and overlapping of functions and administrative machinery. I suggest that periodical public debates and representations from interested groups can be extremely valuable.

Usually, in our country royal commissions are established for that purpose; and I would remind hon. members that the royal commission on taxation is holding hearings at the present time and will probably go on doing so for some months to come. However, I do not believe that some kind of permanent royal commission would be helpful. I do not quite know what the answer is, although I think the question deserves a great deal more thought and study. In the meantime I should like to take this opportunity to invite special bodies, such as the Canadian Labour Congress, the Canadian Chamber of Commerce, the Canadian Federation of Agriculture, the Canadian Manufacturers' Association, the consumers groups and all other interested groups and associations, to submit their annual presentations to the government as early as possible, and in any event not later than January 31 of next year. I should like to extend a similar invitation to any individuals who may have representations which they would like to submit. In this