

**Mr. Johnston:** Mr. Speaker, I rise on a point of order. I think the Hon. Member will recognize that the provision has nothing to do with capital gains. It has to do with inventory evaluation, which might change his thinking on the subject.

**Mr. Speaker:** Could I interrupt for a second, please? I fear that we may be verging into substantive debate. Therefore, I remind the Hon. Member for Mississauga South that I am hearing procedural arguments. In fairness to him, he has stayed as close as possible to that, but at the same time he is making substantive arguments. I ask him to restrict himself to the procedural issues.

**Mr. Blenkarn:** Mr. Speaker, the nub of the argument is that the amendments put to the House in respect of a tax Bill cannot broaden the tax or broaden or change the nature of the tax imposed, without the approval of the Governor in Council or without a notice of ways and means. The fact is that these particular amendments specifically contradict the ways and means motion and specifically change the nature of the tax imposed. Therefore, the particular amendments represented by Motions Nos. 1 to 5 are out of order. For example, the clear indication in the ways and means motion was to eliminate the Registered Home Ownership Savings Plan. This amendment reinstates it. That is an entirely different subject. It is the kind of thing which might have been argued at second reading, but this is a particular ways and means motion which passed the House. The Bill must correspond to the ways and means motion.

**Mr. Speaker:** Could I be very clear, please? Is the Hon. Member for Mississauga South also telling me that he is arguing that Motions Nos. 4 and 5 are out of order?

**Mr. Blenkarn:** Yes.

**Mr. Gauthier:** Mr. Speaker, I want to talk about process; I do not want to talk about the principles of the Bill. I do not agree with the Hon. Member for Mississauga South (Mr. Blenkarn). I think we are talking about details, not about principles.

The amendments in the name of the Hon. Member for Mississauga South are dated January 13, 1986, that is, yesterday. I understood that the rules of the House required 24-hour notice before we could debate such amendments. Could it be explained to those of us on this side why these motions, which were most likely tabled yesterday evening, are debatable today? I am referring to Motion No. 6 and Motion No. 7, standing in the name of the Hon. Member for Mississauga South.

**Mr. Speaker:** Perhaps I could answer that. They were received yesterday. That is the normal practice.

**Mr. Blenkarn:** Mr. Speaker, they were not received yesterday. Yesterday was the date on which the House was opened. They were produced and received on December 20, but they were not published until yesterday. As you know, Sir, the House was not sitting on December 23 and December 24, but

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the motions were in fact tabled on December 20 and they were printed on the first conceivable time for printing.

**Mr. Speaker:** Let me start with Motions Nos. 4 and 5 which are clearly in order. It is simple. Any Member may move to delete a clause. That is how the matter gets on the floor for discussion. Therefore, a motion to delete is clearly in order.

The arguments with regard to Motions Nos. 1, 2 and 3 have been made at a technical level by the President of the Privy Council (Mr. Hnatyshyn). Therefore I think I must reserve to consider those technical implications. I suggest at this point that I will rule Motions Nos. 4 and 5 as being in order for debate, for procedural admissibility at least. These motions to be debated and voted on separately, and Motions Nos. 6 and 7, in the name of the Hon. Member for Mississauga South, will be combined for debate but voted on separately. I will come back to the House, as quickly as I can, with a ruling on Motions Nos. 1, 2 and 3, but I suggest that for the moment we begin with Motion No. 4, standing in the name of the Hon. Member for Saint-Henri-Westmount (Mr. Johnston).

● (1200)

**Hon. Donald J. Johnston (Saint-Henri-Westmount)** moved:  
Motion No. 4

That Bill C-84, be amended by deleting Clause 65.

He said: Mr. Speaker, I will address myself then to Motion No. 4, and I trust that in your deliberations on the questions raised you will take into account my other reference to the amendments that will be made with respect to Motions Nos. 2 and 3.

The motion that we have before us for consideration provides that Clause 65 of Bill C-84 be deleted. The intention of Clause 65 is to restrict the indexation in the Act with respect to tax brackets and with respect to exemptions.

In so doing, Mr. Speaker, the provision in the Act that has served Canadians so well since the early 1970s is being done away with at great cost to individual Canadian taxpayers. If we refer back to the Government's own estimate of the amount of additional taxation that this change would bring we find, Mr. Speaker, that in 1985-1986, the current fiscal year, some \$80 million will accrue to the public Treasury by virtue of this modification to indexation.

In 1986-1987, the amount is \$570 million—half a billion dollars. We do not have the estimates for the years immediately following 1986 and 1987, but we can assume that they will increase at an exponential rate. We see that by the year 1990, 1991, Mr. Speaker, there will be additional revenues to the federal Government in the amount of \$4.3 billion, all of this simply through the application of Clause 65 of Bill C-84 which removes indexation. When I say it removes indexation, Mr. Speaker, I mean it provides that there will not be any indexation except when the Consumer Price Index exceeds 3 per cent. That means that the Government will be taxing the first 3 per cent of inflationary income realized by Canadians.

Now I emphasize that point, that it is inflationary income, not real income. In other words, with no real increase in