

Income Tax Act

56, 57 and 58 have already been agreed to. Shall section 14 carry?

On clause 1—section 14: *Sale of goodwill and other "nothings"*.

Mr. Lambert (Edmonton West): Mr. Chairman, this general heading covers a great number of things. There are some items that may have been discussed, although the schedule that Your Honour has read out does not in any way correspond with the list I had because I have no reference, under business and property income, to sections 55, 56, and what have you. But that matters little, because I agree that section 14 is the one which should be the lead section. This section deals with "nothings" and goodwill. So far as the taxpayer is concerned there are many things in this bill that are nothings. They do not do him any good. And for the rest of it, the goodwill being generated by the bill for the government is almost down to a nothing level.

If I may have the attention of government members, divorced from some of the major conversations that are going on, I would like to make some points in connection with the section. I know that the hon. member for Winnipeg South Centre likes to make noises while sitting in his seat, showing his lack of knowledge of the bill.

Mr. Osler: On a point of order, Mr. Chairman; some hon. members may have been speaking, but I was one of the few who had not said a word until the subject was mentioned. Then, I said quite loudly, "Say something interesting and we will listen."

The Chairman: That is not a point of order.

Mr. Lambert (Edmonton West): The hon. member's contribution is an indication of his knowledge of what goes on in this House, both with reference to bills and otherwise.

On Wednesday, the Leader of the Opposition made a proposal to the government that certain sections of the bill which were acceptable to the Official Opposition should be proclaimed, and that a number of other sections should stand deferred, not to take effect as law until a day to be fixed by proclamation by the Governor in Council. This proclamation would be subject to an affirmative resolution of the House of Commons. I want to reiterate that proposal because it is absolutely germane to the group of sections we are discussing today, for within this group we have things as diverse as the basic herd, straightline depreciation, co-ops and credit unions, and trusts—whether they are affected by international income, whether they are foreign trusts, or purely domestic trusts. The sections dealing with those matters have been the subject of very great concern and controversy in the country. The government has indicated that it may bring in some future amendments.

There is also a great deal of confusion in the minds of the public, reinforced by the majority of the provinces and reinforced by the professional associations most concerned, the lawyers and the accountants, the chambers of commerce and the manufacturers associations, with regard to proposals concerning corporate taxation. I am not going to go into detail, but those proposals are so complex and their effects are going to be so wide-sweep-

ing that not even the government fully understands their impact. It would be better to take more time to study the proposals and defer the date of their implementation. We know what they are. The government has indicated that it would be prepared to consider these matters and bring in further amendments. But why start people off on the wrong foot when it is fundamentally unsound to do so. I just cannot see that, Mr. Speaker.

I am going to put on record what was indicated and why this deferral should take place. The Leader of the Opposition, and I repeat it today, says that sections 6, 8, 20(12), 62, 63, 109, 110 and 117 could be brought in now because we have long advocated tax cuts, as well as other provisions, and these are the ones that apply now. Certainly, I do not think anyone would disagree that there are complexities in the working allowance provision, in the child care expense provision, as there are some rather illogical situations in that field. Then, there is the increase in the basic exemptions to \$1,500 and \$2,850, as well as all the other details, including the revised rates schedules under section 117. All those matters are within the proposal to the government. I understand that the cabinet is now considering the matter, and I hope by Monday we will have a satisfactory answer.

Why do we say that? First of all, let us look at the preliminary report from the other place, No. 47, as published by the Senate Committee on Banking, Trade and Commerce. This is a very interesting and a very studious document prepared primarily by supporters of the government. I put it to the hon. parliamentary secretary that it is not a document that can be lightly dismissed. I add a word of caution to the government. I understand that the committee in the other place has taken quite a determined stand with regard to a number of these proposals and that, notwithstanding the attitude of the government, amendments are going to be put and carried which conform to the wishes and recommendations of the other place. I can see some difficulties for the progress of this bill if that should be the case. Certainly, it will take more than the extremely short period of time that this government normally allows the other place to consider legislation.

From what I hear there are a number of the government supporters in the other place who are most unhappy with certain provisions in this bill, those dealing with international income, for instance. However, I understand that the government does intend to introduce some amendments to those sections. What are they to be? At one minute before midnight are we going to see those amendments, when the professions and all concerned will not have a chance to examine them? May I commend to hon. members the Senate committee report, because the answers of witnesses certainly clarify a great deal more of this bill than has been clarified in this House where we have a more restricted discussion than if we were in a standing committee and could directly examine the officials from the Department of Finance and the Department of National Revenue involved in the preparation of this bill.

The government has shown a very cavalier attitude with respect to major changes in the Income Tax Act by dismissing or putting aside the views of the provincial governments. After all, the provincial governments have