

Administration of the House
ROUTINE PROCEEDINGS

[English]

HOUSE OF COMMONS

COMPREHENSIVE AUDIT OF GENERAL AND FINANCIAL
ADMINISTRATIVE SYSTEMS—APPENDING OF CORRESPONDENCE

Mr. Speaker: Order. If I might take a moment or two, I want to return to Routine Proceedings in the House in connection with a point raised a moment ago by the hon. member for Hochelaga-Maisonneuve (Mr. Joyal), who I think quite properly raised a difficulty about the translation of correspondence that I tabled yesterday.

I made the assumption, as I think members often do, that because we translate everything automatically as part of *Hansard* so members may have it in both languages immediately, the tabling of correspondence, as I did yesterday, would receive the same treatment without any further action by the House. Of course, that is not correct. Documents only receive that treatment if the House makes an order that they be appended to *Hansard* on that particular day. I overlooked doing that yesterday.

I want to say to the hon. member for Hochelaga-Maisonneuve that his point in that sense is well taken. I had made the assumption that what he was referring to was the original correspondence from the Auditor General being in one language only, which is not my responsibility. I also made the assumption, as I think a lot of members do, that once we table documents they will be translated automatically. Documents are not translated automatically unless the House makes an order for them to be appended to *Hansard*. I have returned to the chair in order to ask the House to do this.

Is it agreed and ordered that my letter to the Auditor General in April and his reply of a few days ago, which I tabled yesterday, be appended to *Hansard* and translated for the benefit of members?

Some hon. Members: Agreed.

[*Editor's Note: For correspondence above referred to, see appendix.*]

Mr. Speaker: It being one o'clock, I do now leave the chair until two o'clock this afternoon.

● (1400)

AFTER RECESS

The House resumed at 2.00 p.m.

[The Assistant Deputy Chairman.]

GOVERNMENT ORDERS

[English]

INCOME TAX ACT**MEASURE TO AMEND**

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order. Pursuant to standing order 54, I do now leave the chair for the House to go into Committee of the Whole.

The House resumed consideration of Bill C-17, to amend the statute law relating to income tax and to amend the Canada Pension Plan—Mr. Crosbie—Mr. Scott (Victoria-Haliburton) in the chair.

The Assistant Deputy Chairman: When the committee reported progress shortly before one o'clock, clause 66 of the bill was under consideration.

Mr. Rae: Mr. Chairman, the figures which were given us by the Minister of Finance were very useful and I appreciate the answers given by the parliamentary secretary. They clear up some of the confusion which has surrounded this issue. In my view, they point to two things. The first is the incompetence of the Liberal government with respect to the development of this expenditure. The figures given us indicate there was a quantum leap from \$700 million to some \$10 billion in preferred shares outstanding before the Liberal government realized what was happening and decided to put an end to the business.

This draws attention to the need for the government to maintain constant awareness of what is going on in the marketplace and of the various devices being used in the marketplace to avoid payment of tax. We are dealing here with a tax situation which has proved extremely costly to national revenue. It is important for the public to realize that the expenditure of hundreds of millions of dollars in terms of lost revenue is one of the principal reasons for the extremely high level of the deficit, a level which the government feels has prevented it from carrying out the election promises made to the people of Canada before May 22.

Another aspect, and here again the fault can be laid at the door of the government, is that the use of the income debentures was not effectively wiped out in November, 1978, but will continue, according to the parliamentary secretary, for between three and five years.

● (1410)

I think we are entitled to ask of the government that in the preparation of its next budget consideration be given to a special tax on banks and those corporations which have taken advantage of this particular device, and which have used this device to avoid the payment of taxes, particularly when we consider the statement made by the Minister of Finance before the lunch hour—a statement which was extremely interesting, useful and important—that a device which was intended to be used by companies in financial difficulty was now being used by companies which had no taxable income, not because they had no money but because they had taken advantage of other