

INCOME TAX ACT AND RELATED ACTS

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-84, an Act to amend the Income Tax Act and Related Statutes and to amend the Canada Pension Plan, the Unemployment Insurance Act, 1971, the Financial Administration Act and the Petroleum and Gas Revenue Tax Act, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: Order, please. As Hon. Members know, there are in the Notice Paper seven report stage motions, for which notice has been given pursuant to Standing Order 81.

Motion No. 1, standing in the name of the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) will be debated and voted on separately.

Mr. Hnatyshyn: Mr. Speaker, I wanted to address myself with respect to the procedural admissibility of certain matters. Maybe this is the appropriate time.

Mr. Speaker: I will hear argument if such is the intention at this time. The President of the Privy Council (Mr. Hnatyshyn).

Mr. Hnatyshyn: Mr. Speaker, I will try to be brief. I want to deal with Motions Nos. 1, 2 and 3 in particular.

Motion No. 1 standing in the name of the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) appears to be attempting to extend to corporations the method of valuation of inventory which is included in the Bill for individual artists and which was agreed to at the second reading stage. This then would expand the scope of the Bill beyond that which the House has agreed to in principle, and therefore it is contrary to our practices as outlined in Citation 773(1) of Beauchesne's Fifth Edition, which reads as follows:

An amendment is out of order if it is irrelevant to the Bill, beyond its scope or governed by or dependent upon amendments already negatived.

Therefore, I would argue that Motion No. 1 is irregular and should not be put to the House.

Motion No. 2 standing in the name of the Hon. Member for Saint-Henri-Westmount appears to be offered at the wrong place in the Bill since it is offered as a subsection of the definition of "Qualified Farmed Property", whereas it appears to be offering a general definition which would apply to the capital gains exemption and is not really relevant to the definition of qualified farm property.

Therefore, it would appear that Motion No. 2 is contrary to our usual practices as outlined in Citation 773(3) of Beauchesne's Fifth Edition, which reads:

An amendment is out of order if it is offered at the wrong place in the Bill—

The substantive question of restricting the capital gains exemption to the proceeds of the sales of Canadian securities is contrary to the principle of the Bill agreed to at the second reading stage, since the capital gains exemption applied to all capital gains from the sale of any assets, and to restrict it to

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proceeds of the sales of Canadian securities would be contrary to the principle of providing the exemption to all capital gains.

It seems to me that our practices in such cases are clearly outlined in Citation 773(2) of Beauchesne's Fifth Edition, which reads:

An amendment must not be inconsistent with, or contradictory to, the Bill as so far agreed to by the committee—

With respect to the applicability of this citation to the report stage, I would refer the House to Citation 792.

In addition, the House will be aware of our long-standing practice of not accepting substantive amendments to Bills by means of an amendment to the interpretation clauses of such Bills. This practice is supported in Citation 773(10) of Beauchesne's Fifth Edition.

I submit that Motion No. 2 is irregular for the three reasons I outlined and ought not to be put to the House.

With respect to Motion No. 3, it would seem to be wholly dependent on the adoption of Motion No. 2 which, I believe, I have proved to be irregular.

Therefore, Mr. Speaker, I submit that Citation 773(4)(a) of Beauchesne's Fifth Edition applies in this case. It reads:

An amendment is inadmissible if it refers to, or is not intelligible without, subsequent amendments or schedules, or if it is otherwise incomplete.

For this reason Motion No. 3 ought not to be put to the House. I thank you, Mr. Speaker for your attention to my submission.

Mr. Speaker: On the same procedural argument, I recognize the Hon. Member for Saint-Henri-Westmount (Mr. Johnston).

Mr. Johnston: Mr. Speaker, there is only one point raised by the Government House Leader which I think merits debate. I think the other points are easily disposed of. These do not change the incidence of taxation, none of the amendments do. In Motion No. 1 there is an extension of an exemption provided for in keeping with the principle of the Bill and the deliberations before committee.

With respect to Motion No. 2, there is a typographical error in that the words in paragraph (d) in quotation marks should not be in quotation marks. There will be a subsequent amendment put by one of my colleagues to eliminate that. It does, however, fall in the right place in the Bill which is, as the amendment says, "after line 39 at page 90" and is precisely where that definition should fall. The only issue is that a "(d)" is indicated which would tie it in to the preceding paragraph. That should be eliminated.

I understand that I cannot move that motion since my name is on the main motion. The first speaker following me will do that to have it eliminated.

Again, I do not think, in terms of the principle of the Bill, that these are substantive amendments. They are, if you like, improvements to the proposal put forward by the Government to the principle inherent in this capital gains type of exemp-