

Income Tax Act

ways and means motion is worded. That is not seriously urged today.

We then come to Beauchesne's reference, which the Minister of Justice (Mr. Turner) cited, dealing with the case if any of the provisions of the bill should be found to go beyond the resolution. I would submit, Your Honour, that the operative words are "going beyond," and with respect in fact I submit that there are two blatant weaknesses in the argument put forward by the hon. member for Winnipeg North Centre (Mr. Knowles). The first is that he has singled out a tax relieving provision, and not a provision that seeks to impose or increase the tax. Since the section that he has referred to tends to graduate the relieving provision downward, it can scarcely be argued that it goes beyond the resolution. It is going in exactly the opposite direction, so certainly does not go beyond the resolution as he has argued.

• (4:00 p.m.)

I would submit, Mr. Speaker, that the most telling argument against the hon. member's suggestion is contained on page 9 of schedule B that was tabled with the ways and means resolution. In the middle of that page there is a paragraph dealing with corporations and their shareholders, and precisely the language now contained in section 123 of which he complained is contained in the schedule. Obviously, in his examination of the legislation his customary care was not taken. While he is usually noted for his precision in these matters, he obviously did not get as far as schedule B or else overlooked that paragraph.

At this point in the argument, I submit that while certain changes have been made between the ways and means resolution and the bill now before us, those changes were advertised completely and accurately when the bill was distributed to all members of this House. Whatever that language is, it fulfils the obligation of the government completely and absolutely, unless it can be shown to you that that language goes beyond the ways and means resolution. I submit that no one who stood up this afternoon for the opposition has shown a single example where the language of this bill goes beyond the wording of the resolution. I submit we should go ahead with the debate, Mr. Speaker.

Mr. Speaker: I should like to indicate immediately to hon. members that the point raised by the hon. member for Edmonton West (Mr. Lambert) has such vast implications that I should like to reflect on the situation. I suggest that perhaps for the time being the House should be allowed to go on with the consideration of second reading of the bill.

As the hon. member for Winnipeg North Centre (Mr. Knowles) has suggested, it is somewhat of a monumental task that is proposed to the House, that is, to study the schedule which is in itself a monumental document, and compare it with the bill now before the House to determine whether there are substantial changes and whether, in fact, what we have before us now is a document which effectively goes beyond the terms of the resolution which has been adopted by the House.

I might say that I am somewhat puzzled by the fact that the novel procedure being followed in this instance is the result of consultations with representatives of the parties

of the House. It seems that hon. members, on behalf of the respective parties, got together and agreed that a new policy would be followed, but it seems that perhaps those hon. and learned gentlemen had not foreseen all the difficulties which might result from the agreement under which they were prepared to proceed. I am wondering whether it should not be their penalty to get back together and find an answer to the problem which they have caused for the Chair. I am saying this, perhaps somewhat wistfully, but with a degree of seriousness. If it is found by the Chair that there are some things irregular about the procedure we are now following, and if my conclusion is that certain aspects of the bill would preclude it from being considered by the House in its present form, I think there must be a responsibility on certain hon. members to get together and find a solution to the problem. This might perhaps be in the form of a motion which might be adopted by the House without the necessity of another six day debate before we proceed with second reading of the bill based on the schedule or the motion.

This being said, I appreciate all the advice that has been given to the Chair; it is very learned advice. Within the next couple of hours, I shall look into the matter and try to look at all aspects of the schedule and of the bill. An example was given by both hon. members of where there might be substantial changes between the two documents which might indicate that there is procedural difficulty about having the bill before us in its present form. When I have done that, I will be glad to come back to the House and give a ruling which may be that I would need to consult with hon. members before reaching a decision. The House knows that this is part of the responsibility of the Chair when faced with a particularly difficult situation, to seek the advice of the learned members. I know that all hon. members are, in essence, learned but some have a bit more experience than I, so I may seek their advice and guidance before a ruling is made and before we decide what course of action may be followed later on. For the moment, I suggest we proceed with consideration of the motion now before the House.

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I am opening this debate on second reading of this bill on behalf of the Minister of Finance (Mr. Benson). As the House knows, it is necessary for him to take part in an important Canada-Japan ministerial meeting, and then to go on to take part as chairman of an equally important meeting of the Group of Ten.

Mr. Speaker, the past two and a half months have been busy ones for everyone interested in the reform of the Canadian income tax system. On June 18, the Minister of Finance tabled a ways and means motion providing for the most comprehensive reform of the system since it was started in 1917. Following the final vote in the budget debate, first reading was given to this Bill C-259. The motion was more detailed than usual in order to provide members of the House and Senate and the public with as much information as possible during the budget debate itself.

It also meant that the legal and accounting professions could set to work immediately reviewing the proposals. Representatives of these professions traditionally review tax legislation for technical and linguistic deficiencies