

Standards Council of Canada

namely, the right when it believes that certain standards should be made compulsory to recommend to that effect to the minister. That is why we think this amendment ought to be adopted.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Motion No. 3 (Mr. Rowland) agreed to.

Mr. Speaker: The House will now proceed to the motion of the hon. member for Vancouver-Kingsway.

Mrs. Grace MacInnis (Vancouver-Kingsway) moved:

That Bill C-163, an act to provide for the establishment of a Standards Council of Canada, be amended by striking out clause 18 thereto.

She said: Mr. Speaker, clause 18 as it now stands reads:

The Council shall be deemed to be a charitable organization in Canada as described in paragraph (e) of subsection 35 (1) of section 62 of the Income Tax Act for the purposes of that act.

It seemed to us on examination of that section of the Income Tax Act that it was stretching things rather far to call this council a charitable organization. We do not see how it could possibly fall within that category. There have been times when political organizations, of which I know something, have wished that they also might be classed as charitable organizations within the meaning of the Income Tax Act. I think it would be just as logical to have them in that category as to put this council in the category of a charitable organization.

Some of us in reading this section, and considering its implications were afraid that there might very well be a conflict of interest develop in such a council if it were to fall under the heading of a charitable organization. We were not able to get any satisfactory explanation as to why this should be classed as a charitable organization. It is not an educational or a welfare body. We could not for the life of us understand why this should be. Even those people speaking on behalf of the department were not really able to enlighten us in this regard.

For this reason we decided that, in view of these considerations, it did not seem to fall within that category and that there was a danger of possible conflict of interest in having such a section. We, therefore, have moved that the clause be struck from the bill and that clause 17 be followed by clause 19 renumbered as 18.

[Mr. Knowles (Winnipeg North Centre).]

[Translation]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I disagree on that point. In other countries, national standards councils are assisted in this way by the general public. The work they do is truly of public interest and it is normal for the public to be called upon, or rather to be invited to participate financially in it and I also feel it is normal that the contributions of people who do so should be tax exempt.

The same situation exists in Canada, Mr. Speaker. Other Crown corporations, such as the Science Council of Canada, the Economic Council of Canada, are specifically exempt from taxes on outside grants. Other companies set up by the Canadian Parliament, other than Crown corporations, also enjoy this advantage under their incorporation act.

I am thinking in particular of the Company of Young Canadians, the Canada Council, the National Arts Centre, that enjoy the same advantage, that is, of allowing their backers to be exempt from taxes on their contributions to public organizations. Since the Standards Council of Canada is also an organization created in the public interest, the amendment does not seem justified.

• (4:10 p.m.)

[English]

Mr. Speaker: Is the House ready for the question? The question is on Motion No. 4 (Mrs. MacInnis). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: All those in favour please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some hon. Members: Nay.

Mr. Knowles (Winnipeg North Centre): On division.

Mr. Speaker: In my opinion the nays have it. I declare the motion lost on division.

Motion No. 4 (Mrs. MacInnis) negatived.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce) moved that Bill C-163, to provide for the establishment of a Standards Council of Canada, as reported (without