

result, they have replied that it cannot and that it was never intended to. Of course, that is not anyone's fault. It is the fault of a system in which you cannot have consultation broadly across the whole land when you are drafting tax bills because this must be done and kept within the confines of the minds of the members of the Government until they are ready to present it publicly, to Parliament in the first instance. So when one is forced to develop this field of legislation in this form, these things are an inevitable consequence in the document. However, that document is very important and so widely sweeping in its scope and effect, entering as it does into the business and daily lives of the people of Canada.

With these few thoughts I want to emphasize that it is most important that we get down to a study of this bill at once. It will be the duty of the members of the committee to do the best they can in their study of this bill and the resultant recommendations, supporting them with reason and fact, thus creating greater harmony between what the Government is proposing to do through the summary and what it appears to do through the bill itself.

Hon. Jacques Flynn: Honourable senators, I do not hesitate in saying at once that I am in full agreement with the sponsor of this motion and the objectives he has indicated he has in putting this motion before the House.

At first, the idea of considering a bill which has not been passed by the other place may appear a little irregular, but we are faced with a very special situation. This bill, after all, follows the White Paper which was tabled about two years ago. It follows reports of a special committee of the other place and the Standing Senate Committee on Banking, Trade and Commerce. Therefore, it is not a problem of dealing with the principle of the bill, but really of finding out whether the conclusions of the Government following the White Paper, its criticism by the public in general and in the reports of the House of Commons and Senate committees are actually enacted in the manner indicated to be the wish of the Government. We are faced with a technical problem which is, as Senator Hayden said, very important.

The comments we have heard from the annual meeting of the Canadian Bar Association and other meetings suggest that the drafting may be defective in many ways. Reading these comments and listening to Senator Hayden brought back a memory of Senator Pouliot's comment on the drafting of bills. It is very important for the Senate to consider the bill and discover whether it really achieves what is intended. If my understanding is correct, this committee will not deal with the principle of the bill. That can be done when the bill reaches us after consideration by the House of Commons. However, we will determine whether it is presented in the appropriate manner, which is a very important task. This task can certainly be handled in a better manner in our committee on Banking, Trade and Commerce than by any other committee, especially the Committee of the Whole of the other place. And I say that with all due respect.

I do not believe the fact that the Minister of Finance has said that the bill is clear and simple should be as

[Hon. Mr. Hayden.]

convincing as the comments made at the meeting of the Canadian Bar Association. I would rather accept what I heard during discussion of this legislation at the Banff meetings. It may be that the thinking of the Government is clear, but judging by the thickness of the bill it is reflected in a rather thick way, and I am sure can be clarified.

Senator Hayden has indicated that the department—I suppose he refers to the Department of National Revenue—has realized after some consideration that amendments are necessary. I am personally quite convinced that the Standing Senate Committee on Banking, Trade and Commerce can help the department and the Government. I am even more sure that both the department and the Government need help in this respect.

Hon. Mr. Hayden: May I answer a question which is inherent in what you said? There is precedent for this procedure in the Senate. It has occurred on at least three occasions since I have been here, one of which was almost parallel. This was done in 1945 when it appeared that the budget resolutions were never to become legislation and sent to this house. There was a resolution similar in wording to that which I put on the Order Paper tonight referring the bills arising out of the budget for examination and consideration by the Standing Senate Committee on National Finance.

Hon. John J. Connolly: Honourable senators, I am very pleased indeed to second the motion that is before the house at this time. I have nothing but praise and applause for the leadership and initiative shown by the Chairman of the Standing Senate Committee on Banking, Trade and Commerce in taking this step. We must remind ourselves that the Royal Commission on Taxation, known as the Carter Commission, spent an enormous amount of time working on the problem of tax reform in this country. Following the presentation of its report it took a long time indeed for the officials in the Department of Finance to produce the now notorious White Paper. When that document was produced, committees of the House of Commons and the Senate studied it. The committee of this house worked for more than a year before it was able to produce a report.

Let me say in the first place that it is heartening for parliamentarians who have given a great deal of work to a complicated problem such as that presented by the White Paper and earlier by the Report of the Royal Commission to know that their work was not in vain. Many parts of the White Paper and recommendations of the royal commission were strenuously contested during the committee hearings. The new Income Tax Act which has now been presented to Parliament in the other place generally has been applauded.

Hon. Mr. Flynn: Generally been what? Applauded?

Hon. Mr. Connolly (Ottawa West): Applauded, yes; indeed, applauded.

Hon. Mr. Flynn: I do not know where you heard that.