

Income Tax

If it is merely desired to draw attention to a matter incidental to the legislation intended by the bill, or to affirm a principle which could be incorporated in the bill at a later stage, this purpose could probably be better effected by an instruction or an amendment moved in committee.

It must be borne in mind, however, that the amendment, if agreed to, does not necessarily arrest the progress of the bill, the second reading of which may be moved on another occasion. The technical effect of such an amendment—

Mr. Speaker, I submit that these words apply very clearly to the amendment in the form in which the hon. member for Edmonton West has put it.

The technical effect of such an amendment is to supersede the question for now reading the bill a second time; and the bill is left in the same position as if the question for now reading the bill a second time had been simply negated.

Here is the key sentence:

The House refuses on that particular day to read the bill a second time, and gives its reasons for such refusal; but the bill is not otherwise disposed of.

May is long since dead but that sentence, I suggest, describes perfectly what the effect would be if the amendment of the hon. member for Edmonton West were allowed, and particularly if it were passed. The House would refuse on that occasion, on that day, to give second reading to the bill and in doing so would state its reasons. The hon. member for Edmonton West has given those reasons right in the amendment. He says as far as this bill is concerned, some of it is all right, that we like the provisions that reduce taxes in certain cases but in spite of that we do not want to give second reading to it—we decline to give second reading to it, in the language of May—for certain clearly stated reasons, and those reasons are because the bill includes tax provisions regarding royalties that we do not like.

Mr. Speaker, I have no doubt that at your prayer meeting this morning you and those at the table went over this backwards and forwards and called on all the gods there are in the procedural hierarchy. Maybe I have just added to the confusion and perhaps you will need to have another prayer meeting on the issue; but I do like the point that the hon. member for Edmonton West is making, that this business of reasoned amendments and amendments on second reading will have to be sorted out at some point.

A few decades ago we seemed to have quite a number of these amendments, but in recent years we have had very few. We have almost reached the point of having to accept, because of rulings from the chair, that there is nothing we can do on second reading but vote yes or no. As I say, I used to be willing to accept the proposition that an amendment at second reading opposing the bill and declaring some other principle should carry with it outright opposition to the bill, and it should be accepted that if the amendment were carried that would be the end of the bill. But the philosophy on pages 487 and 488 of May's eighteenth edition has something to commend it. Maybe what the hon. member for Edmonton West is trying to do is test the right set out on these two pages of May, namely, the right, even if the bill is going to be given second reading at some other time, to decline to give it second reading today or whenever the vote comes, for certain specific reasons. Certainly the reasons are there in the

[Mr. Knowles (Winnipeg North Centre).]

amendment, and certainly the language is "That this House . . . declines to give second reading to the bill".

Mr. Speaker, I hope you will think some more about this matter. I see that the Minister of Finance wishes to do a bit more muddying of the waters.

Hon. John N. Turner (Minister of Finance): Mr. Speaker, I am only jumping into the water because it was stirred up in the latter part of the statement of the hon. member for Winnipeg North Centre (Mr. Knowles). He made a very subtle argument to the effect that if this amendment were to be admitted by the Chair and then perchance it were to carry, that could be serious. We could explore some of the subtleties in May's, consider it a defeat of the day and re-present the second reading motion on another occasion.

• (1620)

Mr. Knowles (Winnipeg North Centre): But it is the President of the Privy Council who wants to follow May's.

Mr. Turner (Ottawa-Carleton): Incidentally, if we should ever run afoul of numbers in the House, that is to say, supporters, I will dredge up the argument of the hon. member for Winnipeg North Centre and see how it is accepted not only by the Chair but by the country.

I make only one point in expanding on the argument of my House leader and it is this. We submit to Your Honour that this amendment should not be received or admitted because it anticipates the provisions of the bill. It is true, as the hon. member for Winnipeg North Centre said in quoting May, that the proposed amendment would seem to be acceptable in that it is declaratory of some principle adverse to or differing from the principle, policy or provisions of the bill. But the hon. member for Winnipeg North Centre said that the amendment merely attacks some of the provisions of the bill. It does not deal with its policy and it does not attack its principle, because the bill is an omnibus bill and it is hard to know what the underlying principle is, except that it is an amendment to the Income Tax Act. But it does declare some principle differing from the provisions of the bill, he suggests.

I submit to Your Honour that instead of considering the general rule of declaratory relevancy, you are entitled to look to the more precise caveat in May's which says that the amendment must not be concerned in detail with the provisions of the bill upon which it is moved, nor anticipate amendments thereto which may be moved in committee. What does the amendment of the hon. member for Edmonton West (Mr. Lambert) do? It approves certain provisions. He blew hot and cold here or, as the Scots used to say, he approbates and reprobates at the same time.

Mr. Lambert (Edmonton West): But you are entitled to do that in considering a reasoned amendment.

Mr. Turner (Ottawa-Carleton): Having approved some of the provisions of the bill, he would decline to give second reading to the bill which includes "provisions which eliminate the deductibility of royalties, licences or other fees payable to provincial governments from operational income in the computation of income tax." That is