

other part of the ways and means motion, besides paragraph (13), in endeavouring to deal, not with the residents of a prescribed province, not for the taxation year 1978, but with the residents of a province which is not a prescribed province and for the taxation year 1977, depending on the ultimate interpretation to be placed on the language which I, of course, do not now decide.

On the other hand, it has been argued that section 122.1(2) is an amendment to the Income Tax Act and represents a deduction from income tax for 1977, the time for filing of which has expired, and the section therefore provides in essence for an expenditure of public money and thus is safeguarded procedurally by the recommendation of His Excellency the Governor General. No matter what the administrative arrangements might be for the implementation of this section, I am confined to the wording of the ways and means motion and of the bill. It seems to me that section 122.1(1) to be enacted by clause 30 lies completely within the four corners of paragraph 13 of the ways and means motion, while on the other hand there is no provision in the ways and means motion to cover section 122.1(2).

Whether section 122.1(2) is seen either as a reduction of tax for the 1977 taxation year, or as a pay-out of funds in the fiscal year 1978-79, is immaterial on the procedural basis. We must begin from the premise that a ways and means motion, as the basis of a tax bill, is the procedural device used to protect the financial initiative of the Crown.

Paragraph 13 of the motion and section 122.1(1) to be enacted by clause 30 of the bill, offer a certain relief from taxation to a particular group of taxpayers in a given taxation year. If the government thought it was necessary to initiate this relief by a ways and means motion, it seems to me that consistency alone demands similar relief to be provided for some other taxpayers in section 122.1(2) to be enacted by clause 30, which also provides relief from taxation, albeit for an earlier fiscal year and for a different segment of the population, be similarly founded on a ways and means motion.

It may very well be that I would be disposed to be more stringent in terms of procedural correction if we were dealing with an imposition rather than an exemption from tax, but in the circumstances I see no reason to arrest the progress of the bill at this stage. The cure is simple. It requires a ways and means motion to cover the provisions of section 122.1(2) to be enacted by clause 30 of the bill. Meanwhile the bill may proceed, certainly through second reading and, if necessary, into committee up to and including clause 29 of the bill.

We have examined carefully the precedents which would support this point. They are clearly recited in Erskine May's Parliamentary Practice, nineteenth edition, page 790, which reads as follows:

If any provisions of a bill are found to go beyond the resolutions on which the bill is founded, further resolutions must be passed before those provisions are considered in committee on the bill, or the bill must be amended to conform to the resolutions to which the House has agreed.

That citation seems to me clearly to give the Chair some discretion in determining the manner in which the curative

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provision should be entered into. In these circumstances I would think that the proper course would be for an amended resolution to be brought in by the government to conform with the language of the bill, and that that be done before clause 30 of the bill is considered in committee of the whole.

Some hon. Members: Hear, hear!

Mr. Sinclair Stevens (York-Simcoe): On a point of clarification, Mr. Speaker, I appreciate your ruling, but I was wondering if you could comment on the second part of what I referred to in my original point of order, and that was clause 59 of the bill. This is a complementary clause that is required, as set out in the footnote, as a result of the passage of clause 30.

Clause 59 deals with what they call compensating payments. This clause reads as follows:

The Minister of Finance may pay out of the Consolidated Revenue Fund to a province the amount, if any, as determined by the Minister, by which the aggregate of

That is, if the provincial sales tax in the province concerned exceeds the income tax rebates as provided for in clause 30, and to the extent there is an excess amount then, as the concluding paragraph states:

and may make advance payments to the province out of the Consolidated Revenue Fund on account of any amount that may become payable to the province pursuant to this section.

I feel that this clause very clearly contemplates the expenditure of funds on the part of the government and, if anything, is very obviously not included in the original income tax motion to which Your Honour has already referred. Could you clarify to what extent the government will be required to rectify the motion to cover clause 59 as it now appears in the bill?

● (1212)

Mr. Speaker: With respect, the hon. member is confusing two different procedural problems. The position that I have endeavoured to set out to implement a taxation measure is that the government must, of course, proceed by a ways and means motion. The bill to implement taxation measures must be based upon that ways and means motion. To make a pay-out of the public funds, no such ways and means motion is required. However, a royal recommendation is required for the pay-out of funds. As the hon. President of Privy Council (Mr. MacEachen) carefully argued the other day, there is a royal recommendation which directs itself to all provisions of the bill. Therefore I did not enter into that particular area.

Mr. Joe Clark (Leader of the Opposition): Mr. Speaker, if I understand your ruling correctly, we are in a position now in a procedural sense where we can proceed with discussion and consideration of this bill, but we have to recognize the fact that government policy has changed between the presentation of the budget and the introduction of the bill. So that we can be sure where we are proceeding, I ask the Minister of Finance (Mr. Chrétien) is it the intention of the government to bring in a modified resolution, to which the Speaker has referred, and when might we have that?