

Income Tax Act

I do not think we can emphasize too strongly that with regard to money bills it should be the sole right of the House of Commons not only to originate them but in fact to have them passed in their original form. It is impossible under the British North America Act for the Senate to initiate money bills. If it is assumed that the Senate has the right to amend money bills, then they can use the right to amend money bills to circumvent the rule that they cannot initiate money bills. Such a bill as this could be amended in so many ways and to such major extent as to make the new bill beyond recognition, and in fact then give to the Senate a power that it does not have.

I wish the hon. member for Kenora-Rainy River had made a forthright statement as far as the rights of parliament and the rights of the House of Commons are concerned, rather than going into substantial detail on the merits of what the Senate is doing. I would think if the Senate continues in future this very regrettable practice, we in the House of Commons should consider how the Canadian constitution can be appropriately amended to make certain that money bills are not only the prerogative of the House of Commons to introduce, but that this right shall not be usurped by the Senate through major amendments.

I think, particularly in the context of the political make-up of the Senate at this time, a forthright statement by the hon. member for Kenora-Rainy River would have been even more significant. It is regrettable to me that the great Liberal party, once a party of reform, once a party of small "I" liberalism, has now become a party of the right, a party that defends the status quo, a party that has failed in this instance to assert beyond question the rights of the Canadian House of Commons with regard to money matters. I say that such a statement should be made by the Leader of the Opposition, particularly when one considers the division of party affiliation in the other place.

Right Hon. J. G. Diefenbaker (Prime Minister): Mr. Speaker—

Mr. Speaker: Is the Prime Minister going to speak to the point of order which arises or on the substance of the motion?

Mr. Diefenbaker: On the substance of the motion.

Mr. Speaker: Then perhaps it would be more convenient if he proceeded now. I thought I should indicate the point of order which seems to me to arise on this amendment, at some stage before the matter is dealt with.

[Mr. Argue.]

Mr. Diefenbaker: Then may I defer my remarks.

Mr. Speaker: Briefly it is this. Although the point is broadly, I suppose, a constitutional issue and it is not my function to decide constitutional issues, we do have a standing order of the house which creates a problem to which I would like to draw the attention of hon. members at this time. The standing order in question is No. 63. The house has declared its position with respect to the alteration of money bills by the other place in standing order 63, and I consider that I am bound by that standing order and that the house is bound by it unless it is prepared to suspend the rule. Standing order 63 says:

All aids and supplies granted to Her Majesty by the parliament of Canada, are the sole gift of the House of Commons, and all bills for granting such aids and supplies ought to begin with the house, as it is the undoubted right of the house to direct, limit, and appoint in all such bills, the ends, purposes, considerations, conditions, limitations and qualifications of such grants—

These are the significant words.

—which are not alterable by the Senate.

So as the House of Commons we have adopted standing order 63 in which we declare that bills to grant aids and supplies, in other words money bills of this kind, not only must originate in this house but are not alterable by the Senate.

We have before us now an alteration of such a bill which the Senate has made and sent back to us for consideration. I intervene in this way because of citation 104 in Beauchesne's fourth edition in which it is stated:

It is the function of the Speaker to direct the attention of the house when an occasion arises to a breach of its privileges in bills or amendments brought from the Senate, and to direct the special entries to be made in the *Journals* by which the house, in respect of particular amendments, signifies its willingness to waive its privileges without thereby establishing a general precedent.

The matter has been raised by both of the hon. members who have spoken, but it seems to me to involve more than a question of agreement. It involves a question of the privileges of the house which have been enshrined in a rule—standing order 63—and if the house in its wisdom feels that the circumstances are such that it should waive its asserted privileges in this particular case, by doing so it in effect suspends rule 63. Therefore the view which I take is that unless the amendment properly suspends rule 63 it would require the unanimous consent of the house at this time to pass the amendment which is proposed.

In other words, the amendment would not only do what it purports to do, that is, to accept the alterations by the Senate, but it