

• (1120)

With respect to the financial initiative of the Crown, the bill does not actually infringe upon that financial initiative and does not seek to authorize the expenditure of public funds in that regard. It just seeks to return the situation to that which previously obtained. If there is a procedural doubt in Your Honour's mind, then we say that the particular rule, if it applies to this bill, is archaic in any event. This amendment affords an opportunity for the government, which is responsible for all the confusion over the Unemployment Insurance Act and the delays and difficulties that people are experiencing with it, to correct that situation. If there is some doubt in Your Honour's mind about the procedural acceptability of the bill, then it falls upon the government to say that they will agree to permit the introduction of these bills in an attempt to overcome the confusion and delay that exist at this time. I do not think that in this instance the government should insist on our following an archaic rule to the letter, nor in the case of the other bills, because it was government mismanagement which brought about the difficulties in the first place.

**Mr. Speaker:** Order, please. Are there any further arguments on this bill?

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, there is one word I should like to add. During recent debates, of which there have been many, on income tax matters, it was frequently ruled by the Chair, usually when we were in Committee of the Whole, that provided amendments that relieved individuals of taxation did not directly impose a tax on someone else, those amendments were in order. We had a few such rulings during the debate on the income tax bill in the previous session, and there has been a similar ruling earlier this week on a bill before us in this session. I suggest that the effect of this measure is to relieve certain persons of taxation. It does not impose a tax anywhere else and, therefore, on that ground it should be considered as being within the prerogative of a private member.

**Mr. Speaker:** The Chair will take the matter under advisement. The next bill is in the name of the hon. member for Fraser Valley West.

**Mr. Howard (Skeena):** May I introduce the next bill on behalf of the hon. member for Fraser Valley West, Mr. Speaker.

#### AMENDMENT RESPECTING BENEFITS RECEIVED BY INDIANS ON RESERVES

On the order: Introduction of Bills.

**Mr. Rose**—Bill intituled: "An Act to amend the Unemployment Insurance Act (Indian reserve rights)".

**Mr. Speaker:** Mr. Howard, for Mr. Rose, seconded by Mr. Knowles, moves for leave to introduce a bill intituled "An Act to amend the Unemployment Insurance Act (Indian reserve rights)". Shall the hon. member have leave to introduce the said bill?

**Some hon. Members:** Agreed.

#### Unemployment Insurance Act, 1971

**Mr. Speaker:** Order, please. I have, of course, the same reservations about this bill as I had about the previous one. If there are any arguments that the hon. member for Skeena wishes to advance in support of the procedural acceptability of the bill, the Chair will hear them.

**Mr. Frank Howard (Skeena):** Mr. Speaker, when you asked, "shall the hon. member have leave to introduce the bill", I hoped that Your Honour had reviewed the situation with respect to this measure. It is somewhat different. Basically, what is involved here procedurally is this: the Indian Act declares that income received by an Indian on a reserve is not liable to taxation. An Indian does not pay tax on income he receives on a reserve. The amendment is a very simple one. It provides that unemployment insurance benefits payable to an Indian who is a claimant under the Unemployment Insurance Act and is ordinarily resident on a reserve shall also fall within that same protection and that such income shall not be liable to taxation. It merely seeks to correct an error made when the new Unemployment Insurance Act was passed by parliament and to carry into law the traditional, historic right of native Indians not to have their incomes on Indian reserves taxed or liable to taxation. It seeks to clarify the situation by providing that unemployment insurance benefits, although ordinarily liable to be taxed, shall not be taxed when paid to an Indian who is ordinarily resident on an Indian reserve.

**Mr. Speaker:** If there is no further comment on the procedural aspect of the bill, perhaps hon. members may wish to let the matter stand. The bill that follows is in the name of the hon. member for Kootenay West.

#### AMENDMENT RESPECTING TAXATION OF BENEFITS AT SOURCE

On the order: Introduction of Bills.

**Mr. Harding**—Bill intituled: "An Act to amend the Unemployment Insurance Act, 1971 (no tax at source)".

**Mr. Speaker:** Mr. Harding, seconded by Mr. Knowles, moves for leave to introduce a bill intituled "An Act to amend the Unemployment Insurance Act, 1971 (no tax at source)".

I again bring to the attention of hon. members that there is some procedural difficulty. I will hear argument if hon. members have arguments in relation to this bill different from those which have already been proposed.

**Mr. Randolph Harding (Kootenay West):** Mr. Speaker, I feel that the legislation is in order. Actually there is no real change. The amendment will allow the whole benefit payment rather than reducing it by making an income tax deduction at source. It does not change the intent of the act to consider benefit as income. It merely suggests that payment be made at the end of the year instead of on a weekly basis. We feel that in many cases the workman will be receiving back some of his income and he will need it at the time he receives his cheque rather than several months after the end of the year.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, will you permit me for a moment to underline