

Income Tax Act

that the cabinet might proscribe. At that time the minister was very candid, and as reported at page 1478 of *Hansard* he stated:

We can introduce a program. It is not a question of having the right to tax. We can decide to extend or modify a program or decide to give more grants, for example. This bill will authorize the government to make it taxable, if it wishes.

Further on the Minister of Finance continued:

If we want to apply the same system of giving a grant and taxing it, we are getting this authority for that kind of program and it is related to a program of the same nature.

With all due respect I would suggest what the minister has indicated is their intention is exactly the reason why we must not find the provision in the bill in order. He has, in no uncertain terms, spelled out they anticipate the provision, if passed in its present form in the bill, will be much wider than was proposed in the income tax motion.

As we know, Standing Order 60(11) states:

The adoption of any Ways and Means motion shall be an order to bring in a bill or bills based on the provisions of any such motion.

I will repeat that:

... to bring in a bill or bills based on the provisions of any such motion.

"Based on" I would suggest are the key words. Therefore, is there a substantial change between the wording in the income tax motion and the wording in subclause 5 to which I have referred? On that particular point, Mr. Chairman, I would refer you to a ruling by His Honour, the Speaker, on December 18, 1974, at page 224 of *House of Commons Journals*—a question of a similar nature—but I would say not nearly as serious as the one we have before us tonight. It was then reviewed by the Speaker and he made these observations:

The question is an extremely important one because it relates to the financial initiative of the Crown and to one of Parliament's most basic processes—Ways and Means.

Later he went on to state:

I wish to repeat and emphasize however that the terms of the Ways and Means motion are a carefully prepared expression of the financial initiative of the Crown and frequent departures from them can only invite deterioration of that most important power.

Furthermore, I have considerable sympathy for the argument that once the Ways and Means motions have been adopted by the House, changes of a nature any more substantial than the one before us now, ought to be made by the House.

Obviously, the most desirable practice is for the bill to adhere strictly to the provisions of the motion, and departures, if any, ought to be the subject of the strictest interpretation.

My argument is a very simple one. If you read the wording in the income tax motion which refers solely to a grant received under the Canadian home insulation program as being something to be included for the purposes of calculating taxation on a person's income, and then, if we read the wording in subclause 5 proposed by the Minister of Finance, I would say we have no alternative but to find that there is indeed a much wider interpretation being given in the bill than in the income tax motion.

[Mr. Stevens.]

● (2152)

Mr. Chrétien: Mr. Chairman, I think we can save some time of the committee. It is not necessary to continue arguing this point. I agree with the hon. member. I again checked this and I feel that he has a good point. Rather than having a complicated procedural problem referred to Your Honour, I want to state that I agree with the hon. member. The ways and means motion is more narrow than the bill and this should not be.

If the hon. member will co-operate with us, I will propose some amendments right now that will define that this power will only apply to the Canadian Home Insulation Program. The power will not be broad enough to be brought into all other grants. The hon. member made a good point, and I recognize it.

Mr. Stevens: Mr. Chairman, I would point out to the Minister of Finance that he has changed his attitude very quickly tonight.

Some hon. Members: Oh, oh!

Mr. Lumley: He said that the other day.

Mr. Stevens: The fact is we do have a provision before us and I feel, if the minister is sincere in stating that he is willing to alter it—

Mr. Douglas (Bruce-Grey): He just said it.

Mr. Stevens: Mr. Chairman, could I get some order? If the minister is willing to narrow his proposed amendment down to precisely what was in the income tax motion, I suggest that we give him some time, stand the subclause, and that will mean we cannot vote on the whole clause tonight.

The Chairman: I cannot make a judgment until I hear the proposal of the minister. If the hon. member has no objection, I will call on the minister at this time to let the committee know of his intention. When I have that proposal in front of me, I can make a judgment. I am ready to accept the suggestion of the hon. member to stand the clause if the hon. member wants to consider the proposal of the minister, either procedurally or otherwise. I am open to any suggestion, especially in view of the time we have now arrived at tonight.

[Translation]

Mr. Chrétien: Mr. Chairman, I have here three amendments I should like to table and which will enable us to answer the objection of the hon. member. Obviously, the description in the motion introducing the bill is different from that contained in the bill and so these three proposed amendments will straighten out the situation so that the power will apply only to the program for housing insulation in Canada.

[English]

The Chairman: The proposal of the minister is made in the form of an amendment. Possibly I should read the amendment proposed by the minister applicable to this clause and, for the