

Mr. SPEAKER: The Bill itself has been considered in this House and we are now considering certain amendments made by the Senate. I would point out to the House that we are not now in committee and so hon. members are limited to one speech. I have somewhat relaxed the rule in the case of the Minister of Finance, in order that a proper explanation might be made.

Mr. MACDONALD: If there is a discussion on the subject, I assume that the minister will reply. If he does not, I hope that some other member of the Government will do so, because I want the Government to tell us what their position is in regard to this matter. The question whether this House should accept certain amendments made by the Senate to this important measure is I submit, relevant to the matter that we are now considering. The principle involved in this amendment, that the personal expenses of the individual are not to be taken into consideration in determining his net income for the purposes of taxation is a matter closely related to the whole policy of the Government as to taxation; therefore an inquiry as to the Government's policy is germane to the discussion. As to the constitutionality of the action of the Senate, I object to the Minister of Finance binding this House by putting anything on Hansard on the subject, one way or the other. That is not the way constitutional assemblies deal with things of this kind. The last amendment made by the Senate was the only one that I had opportunity of understanding clearly. For myself I object to the proposal that appeals should be heard before these tribunals in camera in order that the amount of taxation to be paid by any wealthy person may be ascertained. As to the amendment regarding net income. I was not able to understand the ministers explanation. I do not think that members of this House are really seized of what the amendments are; it is difficult, therefore, for hon. gentlemen really to understand them.

Sir WILFRID LAURIER: It is a well-known principle that the Upper Chamber can reject any Bill, even though it deals with financial matters, that has been passed by this House. The Senate can reject the Supply Bill; it can reject a Bill adopted by the Committee of Ways and Means of this House, but it cannot amend such Bills. This principle has been affirmed over and over again. I submit that the

motion of the Minister of Finance is out of order. Rule 78 says:

All aids and supplies granted to His 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, which are not alterable by the Senate.

This rule covers all Bills passed by the House of Commons dealing with financial matters, including those Bills the purpose of which is the raising of revenue through taxation.

Mr. SPEAKER: May I ask the right hon. gentleman if he will deal with rule 87, page 44, while he is discussing this point of order?

Sir WILFRID LAURIER: I will come to that. A motion has been made that the House concur in amendments made by the Senate to a Bill the purpose of which is to impose taxation. I submit that, under the terms laid down in Rule 78, such a motion is out of order. I now come to rule 87, which is in these terms:

In order to expedite the business of Parliament, the House will not insist on the privilege claimed and exercised by them, of laying aside Bills sent from the Senate because they impose pecuniary penalties;

That would not apply in this case, because the Bill in question is one which was passed by this House and sent to the Senate, not one which was passed by the Senate and sent to this House. The rule continues:

nor of laying aside amendments made by the Senate because they introduce into or alter pecuniary penalties in Bills sent to them by this House;

This Bill does not impose or introduce any penalties; therefore it does not come within the purview of that part of the rule. (Reading):

provided that all such penalties thereby imposed, are only to punish or prevent crimes and offences, and do not tend to lay a burden on the subject, either as aid or supply to His Majesty, or for any general or special purposes, by rates, tolls, assessments or otherwise.

Under rule 78 the Senate has no right to amend or to alter in any way a money Bill sent to them from this House. This House alone has the privilege of dealing with money Bills. The only right the Senate has is that of rejecting or assenting to such money Bills. That rule has been confirmed over and over again in England. The cases