

1974, as recorded in *Journals*, pages 224-6, on June 14, 15 and 16, as recorded in *Journals*, pages 706, 710 and in *Hansard* of 1975, on page 7638.

Mr. Speaker, I want to explain what we feel is the extent to which a bill arising from a ways and means motion may go under the provision that the bill must be based on any such motion. I would suggest that the various citations to which I have referred establish the following points. First, that "based on" did not mean "identical with"; minor variations are permissible if the essential nature of the taxation provision originally proposed is unchanged.

Second, the taxing power of the Crown is limited by the ways and means motion. Therefore, it is not an acceptable variation between the ways and means motion and the bill to increase the burden that will fall on any group at any time. It follows that moving a measure of tax relief from one year to another will increase the tax on taxpayers for the originally proposed year, and will in addition increase the total tax burden on some specific individuals who might have benefited from the tax proposal being left as it was in the motion.

● (1532)

Third, substantial changes in the ways and means motion ought to be made by the House.

Fourth, when the Chair decides that a substantial difference exists between the motion and the bill, the two must be brought into closer conformity with each other. This can be done by obtaining a new resolution amending the existing one or deleting the offensive provisions of the bill. We will be making a suggestion as to what would be the proper solution in this case. The guiding consideration I would suggest was given in a ruling by Mr. Speaker on December 18, 1974. I quote:

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.

I contend, Mr. Speaker, that the ways and means motion—and we are now considering the bill arising from it—proposed a level of taxation for a given year, that the variations I have outlined and will outline more fully significantly shift the burden of taxation for some individuals and result in a total taxation package significantly different from that originally proposed to the House.

It would have been impossible to predict from the motion the eventual provisions we now find in this bill. The bill is based on events which occurred after the budget was brought in and the motion was put down. It should be based instead on a different ways and means motion which properly reflects the change in the government's policy and approach.

My job in making this point of order was perhaps made easier today during question period when the Minister of Finance (Mr. Chrétien) stated, to paraphrase what he said: "I made changes in my proposal after my budget", referring to the type of Quebec proposal that we are now considering.

Point of Order—Mr. Stevens

To be specific, the income tax motion which is paragraph (13) in the budgetary documents tabled by the minister of April 10, 1978 states:

(13) That for the 1978 taxation year the tax otherwise payable by an individual resident in a prescribed province on December 31, 1978 be reduced by \$100.

That is all the motion stated. The word "prescribed" is defined in the Income Tax Act as meaning prescribed as set out in regulations.

In the margin notes the paragraph is identified as an "Abatement for provincial sales tax reduction". In effect, the paragraph authorizes a reduction in federal personal income taxes of up to \$100 per taxpayer in a prescribed province. I emphasize the words "prescribed province". Each prescribed province was expected to raise its provincial personal income taxes by the same amount. This was confirmed in our question period today. Each of the prescribed provinces was then expected to reduce its sales tax rates by the amount agreed upon earlier prior to the budget being introduced.

In reviewing the provisions of the bill before us, I would draw attention to clause 30 and clause 59. I would suggest that clause 30 in section 122.1(1) deals with essentially what was contemplated in the income tax motion, paragraph (13), to which I have referred. As I read it, it in effect gives life, if you like, to that provision in the bill that we have before us. I point out that that subsection deals with prescribed provinces. It deals with fiscal years ending December 31, 1978 and it deals with the \$100 income tax amount; all are within the income tax motion No. (13).

Unfortunately, we then find there is a subsection (2) to section 122.1 which deals with a much different subject than is referred to in the motion itself. If I may read into the record the section, it states:

(2) An individual (other than a trust) who resided on December 31, 1977 in a province (other than the Northwest Territories, the Yukon Territory or a province prescribed for the purposes of subsection (1) with which the Government of Canada did not, on April 10, 1978, have a tax collection agreement pursuant to Part III of the *Federal-Provincial Fiscal Arrangements and Established Programs Financing Act, 1977* shall deduct from the tax otherwise payable under this Part by him for the 1977 taxation year an amount equal to the lesser of

(a) \$85, and

(b) the amount that would, but for this subsection, be the tax payable by him under this Part for the year.

In three important respects that subsection is not in accordance with the income tax motion. First, it deals with the 1977 taxation year, not the 1978 taxation year. Secondly, it deals with an amount of \$85, not the \$100 that is referred to in the income tax motion. Third, it deals with a province, not a prescribed province. Clearly in the original motion what was contemplated was only prescribed provinces.

The hard truth is that, as we read the motion and then the resulting legislation which is found in Bill C-56, there seems to have been a change in thinking. There seems to have been a change in thinking since April 10, certainly up to the date this legislation was drafted. The net result is that we find the relevant income tax amendments differ from the income tax