

Income Tax Act

This motion does what I think most Canadians want done. I am prepared to admit that most Canadians may not understand the tax credit system. They would understand it if it were in effect and they were getting the benefit of it. To most Canadians, the heart of this whole issue is that the exemptions levels ought to be higher.

The effect of this exemption, changing the figure \$1,500 to \$2,000 and the figure \$1,350 to \$2,000 in certain places in the bill, is that the exemption level in all places becomes \$2,000 single and \$4,000 married. It should not only satisfy the hon. member for Bruce, but also the government. It shows where the money will come from. It satisfies the provision in Beauchesne's Fourth Edition which clearly states that it is in order for private members to make certain changes in tax bills provided they are grafted upon the financial scheme submitted by the government and provided that where a tax is reduced another tax is substituted for it of an equivalent amount. I ask anybody in the House, what is wrong with that? Let's do it.

Some hon. Members: Hear, hear!

The Chairman: Order, please. I ask the parliamentary secretary to excuse me. I did not read the motion. The hon. member for Winnipeg North Centre read it in the context of his remarks. I want to express some reservations about the procedural acceptability of the motion. Before I recognize the parliamentary secretary, may I read the motion for the purpose of hearing arguments on the procedural acceptability. It is moved by the hon. member for Winnipeg North Centre:

That Bill C-259 be amended at page 277, (a) by deleting the figure "\$1,500" from lines 12, 37 and 48 and by substituting therefor the figure "\$2,000", and (b) by deleting the figure "\$1,350" from lines 13 and 38 and by substituting therefor the figure "\$2,000", and that the rates of tax provided in the proposed section 117, on pages 305 to 312, be adjusted to provide revenue equivalent to the revenue lost by changing the exemption levels as herein provided.

Mr. Jerome: Mr. Chairman, when the hon. member for Winnipeg North Centre began, he carefully covered all of the ground that put him under any disability, giving advance notice that we were getting the full impact of his ingenuity in the final product. He certainly did not disappoint us with the amendment that came forward after the magnificent preamble.

Mr. Knowles (Winnipeg North Centre): I am glad you like it.

Mr. Jerome: It is supposed, at least, not to be the prerogative of a counsel on a case to cite only those aspects which further his position and keep from the court those which do not. I suppose it is not fair to shackle a Parliamentarian with the same obligations. The hon. member has quoted those references which support his position and has conveniently ignored those which do not. Be that as it may, the argument in citation 263, which in general terms supports the idea he has in mind, should be carried on with the balance of the paragraph. It reads as follows:

—nor can the amount of a tax proposed on behalf of the Crown be augmented, nor any alteration made in the area of imposition. In like manner, no increase can be considered either of an existing, or of a new or temporary tax for the service of the year, except on the initiative of a minister, acting on behalf of the Crown; nor can a member other than a minister move for the introduction of a Bill framed to effect a reduction of duties, which would incidentally

[Mr. Knowles (Winnipeg North Centre).]

effect the increase of an existing duty, or the imposition of a new tax, although the aggregate amount of imposition would be diminished by the provisions of the Bill."

In the reference to citation 268, the hon. member failed to bring to the attention of the Chair the fact that the reference in that citation was to the committee of ways and means. This, of course, is a committee which has now been eliminated from our procedures. The considerations are obviously a good deal different when we are dealing with the final product than previously in the committee of ways and means. In addition, citation 269 was overlooked. It reads as follows:

No augmentation of a tax or duty asked by the Crown can be proposed to the committee, nor tax imposed, save upon the motion of a Minister of the Crown; nor would an amendment to extend the imposition of a tax to persons enjoying an exemption therefrom be now permitted.

The dilemma which the hon. member obviously faces is that if his amendment does what he intends it to do, it offends the rules. If his amendment does not offend the rules or does not do those things which have already been ruled out of order, it is not in his interest to put forward such an amendment. The answer to that dilemma is not a single amendment which offends the rules, but two amendments, one designed to correct the other. The amendment he is proposing to us which changes the exemptions is clearly out of order. What he proposes is a second amendment which is specifically designed to counteract the reduction in revenue resulting from the changes in the exemption levels, which are out of order, by making consequent amendments to the tax rates in order to bring the picture back into balance. The second amendment is equally out of order because it makes the same kind of changes, changes which are prohibited by all the citations to which I have referred Your Honour. I submit, therefore, that the amendment, despite the initiative which has been shown, is not less offensive to the rules which have been cited.

● (4:00 p.m.)

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, it is a frequent way of doing things, when we get into procedural arguments, to say that the other fellow did not read the citations in full. Frankly, I abridged the citations because I thought it was better to focus attention upon the issue which is really before us. The things which the parliamentary secretary has read, in addition to what I read, have no effect on what we are now discussing, one way or the other. They do not alter the picture at all. For example, he read a bit more out of citation 263, where it says:

—nor can the amount of a tax proposed on behalf of the Crown be augmented, nor any alteration made in the area of imposition.

I ask Your Honour to note that this follows immediately after the clear authority given to a private member to propose a substitution of one form of tax for another, provided it is grafted upon the government's scheme. The net result of my amendment would not increase the total tax imposed by one dollar. It comes out to the same amount. The word "equivalent" is there as required by the rule. As for the suggestion that the area of imposition would be widened, my amendment does not include anyone under the tax arrangement who is not already there, although it does leave some out.