

*Excise Tax Act*

amendment which would have the effect of imposing a new tax or increasing a tax recommended by the Governor in Council. Nor, under the later authorities, in accordance with changes in the British practice, can a private member advance an amendment which would affect the incidence of taxation. At one time it was definitely recognized that it mattered not to the Crown where a tax was imposed, because ways and means were subordinated to supply. But there has been a change. I admit that.

Let us consider the wording of the amendment which I have put forward. We request the committee of the whole to reconsider clause 1, paragraph 10, so that it be made to provide for air transportation tax on a flat fee basis to be determined by the committee as yielding an equivalent return to, and in lieu of, the tax therein provided.

First of all, the principle of equivalence is adhered to; there is no derogation from that, one way or another. Second, as to incidence, there is no new class of taxpayers brought in; the people affected would be those who were paying the air transportation tax under the government proposal. But instead of using an *ad valorem* basis I suggest there should be an equivalent flat fee tax. If we look closely at the authorities, we find that the provisions they have laid down have been strictly and religiously adhered to. If we turn to page 827 of May's 17th edition, because we are at the third reading stage of a finance bill, we find that all it says is this:

On third reading of a finance bill, debate and amendment must be strictly relevant to the contents of the bill, and the expenditure of the year and alternative methods of providing revenue may not be discussed.

I submit that I am clearly within the narrowest confines of that citation. This amendment meets all requirements. It is relevant to the contents of the bill; there is an immediate direction to one of the clauses. The paragraph I have quoted is the only mention in May's 17th edition which is pertinent. It is true there is a general reference to some of these considerations in May's 15th edition, but one finds that those comments are all directed to the resolution stage. There was a great controversy in the United Kingdom parliament in the last century as to the wording and nature of resolutions, and as to the practices which had arisen in writing up the resolutions. I invite anyone who is interested to read May on this aspect; in these passages he will see what was done. In 1937, a committee of the House brought in a recommendation for the

government to follow, precisely on the point that the resolution had to be wider in its ambit and much more simple. This was necessary because of earlier bad practices.

Let us not cloud the issue. I suggest with all due deference that if Beauchesne's 276(1) is taken to refer to the study of the bill rather than to the resolution, too much importance is being attached to the citation, and that the citation may be in error. I suggest to Your Honour that we go to May and read the paragraphs dealing with the general rules of procedure in the committee of ways and means. I see nothing there which would cause my amendment to be out of order. We can turn to page 733 where the procedure for dealing with taxation is outlined in detail. There is reference there to financial procedure and rules for amendment. All of the citations referred to earlier concerned resolutions.

● (3:20 p.m.)

May I just repeat my argument. My amendment does not alter any ways or means. Secondly, it does not introduce any new class of taxpayers; the taxpayers are precisely the same. Therefore, I submit that my amendment is in order.

**Mr. Stanley Knowles (Winnipeg North Centre):** Mr. Speaker, Your Honour has already indicated the direction in which your thinking is going, so I suppose that what we are engaging in this afternoon is not just the interpretation but the making of law. However, even though I am afraid I have to anticipate what might be your ruling, I should like to make one last defence of the right that the hon. member for Edmonton West has sought in the amendment he has proposed.

May I deal with two of the objections that were raised by the President of the Privy Council. In the latter part of his comments, he referred to a citation which said that it was not possible on third reading to move for reference back in order to increase a tax. It seems to me that it is quite clear that the change sought by the hon. member for Edmonton West is not for the increase of a tax. Certainly, the change is not to increase the total amount of revenue to be obtained, because the amendment specifically provides that the amount to be obtained shall be equivalent to the amount already obtained. Therefore, I do not think that that citation applies to this situation.

What really puzzled me was the use by the President of the Privy Council of paragraph