

*Income Tax Act*

government to make the change. This is regrettable, but that is the way democracy works.

I confess to you, Sir, that I did quite a bit of reading in my favourite books to see whether there might be any way in which one could move an amendment to substitute a tax credit system for a tax exemption level system. I am afraid all the authorities are against the possibility of that being done. Although there are provisions indicating that amendments can be made with respect to tax bills, nevertheless, those amendments must be grafted upon the government's system. I will not, therefore, put Your Honour to the task of having to read the same books, as a result of which I fear you would rule out an amendment seeking to substitute a tax credit system for a tax exemption system.

That is not the end of my story. As you can imagine, I sat here yesterday with an amendment to raise the exemption levels which was similar to the amendment moved by the hon. member for Bellechasse and similar, also, to the amendment moved later by the hon. member for Portneuf. Again, since you have already ruled that type of amendment out of order, it would hardly be responsible of me to try that one again. I did not jump in with it yesterday, so to speak, because I thought that, procedurally, we already had before us one amendment to proposed section 109, namely, the amendment moved by the Minister of National Revenue which changes the word "taxpayer" to the word "individual" in one line of that proposed section. It is nice to know that a taxpayer is sometimes regarded as an individual. That change, however, is not significant. It is just a matter of using the proper word in the context of that particular part of the section. At any rate, that is why I did not move the amendment yesterday which was moved by my Social Credit friends.

Now that the possibility of an amendment that merely raises exemption levels has been ruled out of court by your rulings of yesterday on the amendments proposed by the hon. member for Bellechasse and the hon. member for Portneuf, I wish to follow another course. However, Sir, in this case I confess that I shall present my procedural argument before I move my amendment. Perhaps the citations that I shall read will indicate what is coming. Part of paragraph (2) of citation 263 of Beauchesne's Fourth Edition reads:

—The principle that the sanction of the Crown must be given to every grant of money drawn from the public revenue, applies equally to the taxation levied to provide that revenue. No motion can therefore be made to impose a tax, save by a Minister of the Crown, unless such tax be in substitution, by way of equivalent, for taxation at that moment submitted to the consideration of Parliament;—

There is more to the paragraph, but I think I have read the pith of it. It is pretty clear, Mr. Chairman, that it is in order for a private member to move an amendment to a tax bill which is a substitution by way of an equivalent amount for taxation at that moment submitted to the consideration of Parliament.

A couple of pages farther over you will find citation 268. We are still looking at Beauchesne's Fourth Edition. Let me read these words from paragraph (1) of that citation:

—Though it is the function of the Committee of Ways and Means to impose rather than to repeal taxes, example—

It says "example". I believe it ought to say "examples". —of the repeal of taxation effected in this committee are to be found upon the journals.

Now comes the important sentence:

Proposals for the variation or modification of taxation can therefore be made in the committee; but these proposals must be grafted upon the financial scheme submitted by the Government,—

And that is why I knew I could not move a motion to substitute tax credits for tax exemptions.

—and must not affect the balance of ways and means voted for the service of the year. Amendments, therefore, can be proposed to substitute another tax, of equivalent amount, for that proposed by the Government, as an alternative duty, the necessity of new taxation, to that extent, being already declared on behalf of the Crown.

Now, Mr. Chairman, may I relate that procedural submission to our position in terms of policy. We have already made it clear that we favour a tax credit system as opposed to a tax exemption system. Yesterday I said that if the government was not prepared to go for a tax credit system, we would plead with it to raise the exemption levels from the proposed \$1,500 and \$2,850 to \$2,000 and \$4,000 a year. I indicated that I was somewhat concerned about that because, after all, this is our second line of approach and not our first. As I say, I was somewhat concerned about that because, unless one adjusts the rates, the effect of raising exemption levels is to give benefits which are larger for those at the top of the income scale than for those at the bottom of the scale. But now my hand has been forced by your rulings of yesterday against the hon. member for Bellechasse and the hon. member for Portneuf and also by these citations that say that as a private member I can move an amendment for a tax that is a substitution for something the government has proposed, provided it is for an equivalent amount. The words are there. They are as clear as they can be in the English version of Beauchesne's Fourth Edition and I suspect they are just as clear in the French version.

• (3:50 p.m.)

I come, therefore, to the second approach that we take. If the government is not prepared to bring in the tax credit system, I plead with it to raise the exemption levels to \$2,000 single and \$4,000 married and at the same time to adjust the rates that are set out in another portion of clause 1. After all, Mr. Chairman, we are dealing with clause 1 in its entirety, a clause that has 596 pages. I suggest that changes be made in the rates of another portion of clause 1 so that the revenue lost to the Crown by raising exemption levels will be gained by higher rates for those in the upper brackets.

I have put all of this in the form of an amendment. It reads in technical language, but I have plenty of copies so that hon. members can look at it. I move:

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.

I suggest that should meet with everyone's wishes. Even my good friend the member for Bruce will like this. He complained yesterday that I wanted to cut out some taxes and not say where we could get money to take their place. This motion suggests where that money can be obtained.