

# HOUSE OF COMMONS

Monday, March 27, 1972.

The House met at 2 p.m.

## ROUTINE PROCEEDINGS

### BROADCASTING, FILMS AND ASSISTANCE TO THE ARTS

First report of Standing Committee on Broadcasting, Films and Assistance to the Arts—Mr. Reid.

[*Editor's Note: For text of above report, see today's Votes and Proceedings.*]

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### UNEMPLOYMENT INSURANCE ACT, 1971

#### RULING BY MR. SPEAKER ON PROCEDURAL ACCEPTABILITY OF CERTAIN BILLS

On the order: Introduction of Bills.

**Mr. Speaker:** Last week, a number of bills were proposed for introduction to the House. The Chair expressed reservations about certain procedural aspects of those bills. While three were then accepted for introduction after serious consideration, seven were held in abeyance. On Friday last, hon. members were given an opportunity to express views on a point of order which queried whether these bills might not affect the financial initiative of the Crown. A number of members participated in the interesting procedural debate and I have now had time to study their arguments.

The hon. member for Skeena suggested that the bills in question proposed to amend the Unemployment Insurance Act and argued that they do not infringe upon the financial initiative of the Crown. The hon. member suggested that if in fact all these bills or any of them are found by the Chair to affect the Crown's prerogative in this respect, the rule should be disregarded as being archaic. The hon. member will appreciate, I am sure, that the Chair can hardly be expected to disregard a rule that is so fundamental. If in respect of any of these bills the Chair is convinced that the financial initiative of the Crown is in fact affected, it has no alternative but to set them aside. That is the conclusion which I have reached in connection with three of the seven bills in question.

The bill standing in the name of the hon. member for Broadview purports to be an act to amend the Unemployment Insurance Act. In fact it is a bill to amend the Income Tax Act. Clause 1 repeals section 158(2) of the Unemployment Insurance Act, but clause 158(2) repeals section 10(1)(h) of the Income Tax Act so that in fact clause 1 of this bill should not set out that it repeals

section 158(2) of the Unemployment Insurance Act but that it repeals section 10(1)(h) of the Income Tax Act. The Unemployment Insurance Act says that benefits are taxable but the purpose of the bill is to make benefits non-taxable and to make workmen's compensation also non-taxable. This to my mind is purely taxation legislation and is not acceptable unless initiated by the Crown.

The bill standing in the name of the hon. member for Fraser Valley West also purports to amend the Unemployment Insurance Act while in fact in my view it is an amendment to the Income Tax Act. The purpose of the bill according to the explanatory note is to make unemployment insurance non-taxable when the benefits are received by Indians living on a reserve. This of course affects the taxing initiative of the Crown and is out of order.

I have the same reservations concerning a bill standing in the name of the hon. member for Kootenay West. That bill proposes to change the method of payment of that part of claimants' benefits which is to be deducted at the source as taxable income. This again to my way of thinking deals clearly with tax legislation and as such is irregular unless introduced upon the initiative of the Crown.

I have extremely serious reservations about the four remaining bills. Generally speaking, these bills tend to increase the benefits payable under the terms of the Unemployment Insurance Act or to extend the period during which benefits might be payable under the law.

The question is whether legislation providing for such additional payments affects the financial initiative of the Crown and requires as a condition precedent the recommendation of the Crown. The hon. member for Winnipeg North Centre has argued that amendments have been allowed where the purpose was to relieve individuals of taxation rather than to impose a tax on someone else. I do not disagree with those rulings which were made in committee; I point out, however, that they were amendments and not new initiatives as in the present case. Citation 265 of Beauchesne's Fourth Edition is the authority to establish that distinction.

I am more impressed by the argument advanced by the hon. member for Winnipeg North Centre and other hon. members that the moneys required for the payment of proposed extended benefits would not come out of the consolidated revenue fund and that they would not in any way affect the balance of ways and means. It is certainly a moot question whether these legislative proposals would in fact, in one way or another, directly or indirectly impose an additional burden on the public treasury and thus infringe upon the financial initiative of the Crown. One might well wonder whether government legislation tending to alter the benefits payable under the act or perhaps tending to shift the burden from one group of contributors to the other should not be accompanied by