

Income Tax Act

it first because we know that when he presents an amendment it has a much better chance of being accepted. We agree wholeheartedly with this suggestion.

Amendment agreed to.

The Chairman: Does that complete the discussion on subparagraph 4?

Mr. Zaplitny: This deals with deductions allowed to persons who attend conventions and I am wondering how universal the words "business or profession" are. For example, do they include farmers who belong to a farm organization?

Mr. Harris: At the resolution stage I answered that question by saying yes.

The Chairman: Then I take it subparagraph 4 is completed. Subparagraph 5?

Mr. Harris: I have an amendment to be moved to subparagraph 5 and it is a rather lengthy one.

Mr. McCann: I move:

That Bill 418, an act to amend the Income Tax Act, be amended by deleting lines 4 to 22 on page 3 thereof and substituting therefor the following:

"(q) where a taxpayer is a member of the clergy or of a religious order or a regular minister of a religious denomination, and is in charge of or ministering to a diocese, parish or congregation, or engaged exclusively in full-time administrative service by appointment of a religious order or religious denomination, an amount equal to

(i) the value of the residence or other living accommodation occupied by him in the course of or by virtue of his office or employment as such member or minister so in charge of or ministering to a diocese, parish or congregation, or so engaged in such administrative service, to the extent that such value is included in computing his income by virtue of section 5, or

(ii) rent paid by him for a residence or other living accommodation rented and occupied by him, or the fair rental value of a residence or other living accommodation owned and occupied by him, during the year but not, in either case, exceeding his remuneration from his office or employment as described in subparagraph (i);"

Mr. Fleming: Does the minister intend to explain his amendment? Reading it over quickly, I gather the only change he has made is to include ministers and clergy engaged exclusively in full-time administrative service by appointment of a religious order or religious denomination? Is that correct?

Mr. Harris: Yes, Mr. Chairman. The intent of the amendment as in the printed bill was extended for the purpose of clarification to a slightly different wording but the effect of the amendment will simply be this. Up until a recent decision by the income tax appeal board it was thought by the government that only those clergymen who were actively engaged as being in charge of a church or

a parish and conducting services accordingly were entitled to the deduction that has been in the act. However, in the income tax appeal board there was a decision which held that the clergyman who was a professor at a theological university would also be entitled to the deduction and it was not the intention of the government to permit the deduction to extend that far. The present amendment provides that any clergyman, whether he be in fact a pastor in charge of a congregation or a member of the church body in the higher level, if I may put it that way, who engages in church work exclusively including acting as pastor from time to time, would have the benefit of the deduction. On the other hand, it does not extend to the clergyman who is a professor and whose occupation is that of a professor in a college.

Mr. Fleming: Mr. Chairman, I think the amendment that the minister has introduced is an improvement on the clause as printed in the bill in that it includes those who are engaged in administrative duties on behalf of churches, religious orders or religious denominations. They were certainly entitled to consideration and I am glad to find that the amendment extends the consideration to the point of equalizing their position with that of the clergy engaged directly in parish work.

But the minister has pointed out that the benefits that are extended by this section to clergy in general are denied to clergy who are engaged in teaching in theological colleges. The fact that the minister has seen fit to introduce an amendment which will now include those clergy who are engaged in administrative duties it seems to me weakens his case for denying similar consideration to clergy engaged on the teaching staffs of theological colleges. Why should they be denied the consideration of this provision when it is extended to clergy in all parochial service or administrative work on behalf of either religious orders or religious denominations?

The appeal that I am making tonight is that the section should be further enlarged so that its benefits may be extended to clergy engaged, as I have indicated, in teaching on the staffs of the theological colleges. This point has already been the subject of representations made to the government. A letter was written to the Prime Minister when the bill was first printed and published. With the permission of the writer I should like to read it now because it states very clearly the case for the clergy engaged on the teaching staffs of the theological colleges.