

the government does have the power to carry out the intent of my resolution under the Financial Administration Act. It is nonsense to suggest that the government cannot undertake to incorporate into the regulations the provisions of the resolution I have submitted for the consideration of the House. The government can undertake to incorporate my resolution, if it so desires. All it needs to do is seriously consider my proposal. I suggest to them that if they have any doubts perhaps they might be wise to consult with the Prime Minister or his special advisor, Mr. Ivan Head, as to the validity of my proposal.

It is in a spirit of genuine concern for those workmen who, as I have suggested, are being discriminated against under the provisions of the Income Tax Act that I again introduce this motion with the hope that all hon. members will endorse it and that the government will immediately and effectively act upon it. Then, the principle of fair and equitable taxation may, in fact, become a reality at least for this category of employees. I might add that after having tested the feasibility of such a remission in this present tax year, and perhaps subsequent years, the government might very well make the remission permanent by an amendment to the Income Tax Act.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Richard): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Battleford-Kindersley (Mr. Thomson)—Consumer Affairs—Request for investigation of spread in pork prices; the hon. member for Yorkton-Melville (Mr. Nystrom)—Youth—Cancellation of conference sponsored by Canadian Council on Social Development.

PRIVATE MEMBERS' NOTICES OF MOTION

INCOME TAX ACT

REQUEST FOR AMENDMENT TO PERMIT DEDUCTION OF COST OF TOOLS IN CALCULATING TAX

The House resumed consideration of the motion of Mr. Mazankowski:

That an humble Address be presented to His Excellency praying that the Governor in Council will amend the regulations under the Income Tax Act whereby the deduction in computing income allowed self-employed professionals, tradesmen and workmen in respect of capital costs of tools necessary to their trade and similar property be extended to all professionals, tradesmen and workmen, whether self-employed or otherwise who must purchase themselves such property in the course of their employment.

Income Tax Act

[Translation]

Mr. Aurélien Noël (Outremont): Mr. Speaker, in the first place, I am sorry to say that I do not agree with the hon. member for Vegreville (Mr. Mazankowski) who thinks that the new act will not take into account the existing injustices in the old act, and that nobody seems to care. I think that his assertion is spiteful and should not appear in *Hansard*.

I do not agree either with the statement he has just made about Section 22, i.e. that the Governor in Council can amend the Income Tax Act in any of the circumstances he mentioned.

He has done a good, not to say exhaustive job to find particular cases. I commend him for looking into all those documents and finding innumerable particular cases, but one has to refer to the act, after all, and the act is clear about this.

Section 5(1) of the Income Tax Act, which lists some items that must be included in computing income from an office or employment and some items which may be deducted, provides that there can be no other deduction of any nature.

One must distinguish between an office and employment, and income from property or a profession, from a trade or business.

The distinction is absolutely vital when the taxpayer is computing his income tax. In this respect, the Income Tax Act is exceedingly restrictive, if I may say so.

Section 12(1) of the act provide that:

In computing income, no deduction shall be made in respect of (a) an outlay or expense except to the extent that it was made or incurred by the taxpayer for the purpose of gaining or producing income from property or a business of the taxpayer,

The act marks the difference between "wages" and "income", between "wages" and "fees", between "wages" and "income from property or a business", and this is very important.

There are doubtful cases and only in such instances is the Governor in Council allowed to give the benefit of the doubt to a taxpayer who has apparently been wronged.

[English]

Mr. Mazankowski: What was doubtful about the Ford Motor Company?

[Translation]

Mr. Noël: That is exactly the case. It comes within the scope of a policy to assist a concern which needed to create employment in a region of the country. This again is a special case.

With your permission, Mr. Speaker, I would like to proceed as I have several points to make. In view of the clearly established regulations concerning deductions, officials of the Department of National Revenue do not have authority to allow a worker to deduct the cost of his tools or a lawyer in receipt of a salary to deduct certain expenses.