

Income Tax Act

National Revenue with regard to the interpretation of these words. I think the words are dangerous. It is dangerous to put such broad terminology in the act, and personally I cannot support it at all.

Mr. Hahn: There is another factor that I think is fairly important and that is the interpretation that might be put on this clause by an individual filling in his own income tax return who feels that it is his responsibility to make a note of any and all funds that he receives by way of benefits of any kind whatsoever. Let us say that he includes them in his return and pays his income tax. He has only a matter of one year in which to ask for a rebate when he finds that his neighbours did not include such items and did not have to. I am wondering whether the finance department will take it upon itself to notify these people immediately that their contribution in that regard was not necessary and therefore they are entitled to a rebate.

Mr. Harris: Mr. Chairman, if we get to that point I am going to move that the one year become two years.

Mr. Leboe: Mr. Chairman, I am still opposed to this clause being as wide open as it is, and I think it is only in the interests of the administration that the gap be closed a little bit. I can recall a situation where used equipment was classed as secondhand equipment but when the time came that it was convenient to enlarge the interpretation of the act it actually happened that new equipment was classified as secondhand equipment because it had gone into the possession of a second party. The Minister of National Revenue has said that he is going to implement the act as it stands. He has no alternative but to do so, and I think that the Minister of Finance is letting himself in for a lot of grief here. I think we in the opposition are really trying to help him a whole lot. I have in my pocket a letter that reached me today and it has to do with a case where an arbitrary assessment has been made already. In these cases the onus is on the individual to prove that the money is not owing. If a man is faced with such an assessment and has no money, what happens? He is placed in an impossible position.

All the assessor has to do is to say, "I am assessing you so and so", and that is it. There is an appeal, of course, and if the person has enough money to go ahead and appeal the case he may get some redress, but the onus is on the individual. If the onus were on the taxation department to prove the assessment first it would be a different situation, but that is not the case.

[Mrs. Fairclough.]

I think it is going too far to leave this clause as it is. If there are two or three cases, as the minister said, that need to be covered, surely they can be spelled out.

Mr. Monteith: I am going to suggest that the Minister of National Revenue change places with the Minister of Trade and Commerce temporarily and that the Minister of National Revenue and the Minister of Finance get their heads together and see if they can come to some agreement. The Minister of National Revenue says that he has to follow the letter of the act. If this amendment goes through the letter of the act will read, "the value of board, lodging and other benefits of any kind whatsoever." The Minister of Finance says that that does not mean certain things, that there will be no change from the situation that exists at the present moment. I certainly think some definite understanding should be given to the house so that the people of Canada will know where they stand.

Mr. Hees: I think the hon. member has made a very constructive suggestion. Unless the Minister of National Revenue gets over where he can listen to the Minister of Finance tell him how he is to administer the act which the Minister of Finance is passing for him, how in the world are we ever going to get any sense out of this thing?

The Chairman: Is the committee ready for the question?

Mr. Nesbitt: No. Mr. Chairman, I was a member of this house who sat on the special committee on the estimates which inquired into the activities of the Department of National Revenue. Like the hon. member for Hamilton West, the hon. member for Perth and other hon. members, I cannot help but feel that these words "of any kind whatsoever" will give a great deal of scope to some of the junior individuals in the various tax offices of the Department of National Revenue. As the minister told us in committee with respect to the senior officials, they knew what was going on in every branch of the department. They may send out regulations. That is quite true. But these regulations are interpreted differently in different offices. As I recall the hearings of that committee, evidence was presented—I know it was presented by myself, and as I recall it it was presented by several other members—to the effect that some of the junior officials in the branch offices of the Department of National Revenue, albeit succession duty offices or income tax offices, certainly seemed to have the attitude—or at least we were certainly led to believe that they had—of "get all you can". If words like these are put in