

Income Tax Act

might have to pay income tax on it. It is about time governments made it a strong policy that when they introduce budgets, they forthwith file notices of ways and means. I see the President of the Treasury Board (Mr. Johnston) nodding. It is about time they introduced income tax changes forthwith because in the business community, certainty is more important than almost anything.

When there are tax changes in budgetary provisions which are not included in specific amendments to the Income Tax Act, advisers to business people and to ordinary citizens in general cannot tell whether a thing is proper or improper. All they can go by is the general wordings of ways and means motions, which certainly are not in technical language, and they cannot give with certainty any advice to their clients.

Let me deal with the clauses in this bill. I propose to go through them from the beginning right through. The first clause with which I want to deal is clause 3(3) at page 3 which deals with volunteer firemen. A number of proposals were made, beginning in the spring of 1979 with respect to volunteer firemen. Throughout our country a great number of people work for volunteer fire departments. They feel that volunteer firemen should be able to deduct from their ordinary earned income up to \$1,000 for costs associated with being volunteer firemen. Generally speaking, volunteer firemen are expected to pay for their clothes and those things which are at peril in fighting fires. If anything, what is in this bill is an insult to the volunteer field. The suggested allowance is up to \$500.

That is not a tax credit of \$500, but an allowance against earned income. Unless the volunteer fireman is in a tax bracket very close to 60 per cent, all he will get is a small percentage of \$500. Let us assume, for example, that a volunteer fireman has an average rate of tax of about 20 per cent. That would mean he would be earning something in excess of \$21,000 a year. At an average rate of tax, he will save \$100, but out of his own tax paid earnings he has to pay the cost of another suit if his suit is ruined in a fire, the cost of boots or the cost of whatever is required. The allowance in this clause for volunteer firemen is insignificant, improper, unbelievably small and is a suggestion by the Minister of Finance that he does not appreciate volunteer firemen at all. I am not speaking in my own interests or in the interests of the city of Mississauga. When I first started practising law in the village of Port Credit, there was a volunteer fire department. I suppose its members were allowed \$300 way back when a dollar was a dollar.

Mr. Deans: When was that?

Mr. Blenkarn: Now, after a 120 per cent devaluation of the dollar in the last 10 or 11 years, they are allowed to deduct \$500 from their taxable income.

Mr. Jarvis: That is shameful, you Grits.

Mr. Blenkarn: That is shameful. Hon. members opposite do not believe in the volunteer sector. They really do not want to do anything to help volunteer firemen, who are prepared to

give their time, their effort and, indeed, their lives to their fellow man, to cover their costs. The amount of \$500 ought to be doubled. That would not cost the treasury much money. If the treasury, the minister and this government had any feeling for the cause of volunteers, who are prepared to risk their lives, they should at least double the amount. The \$500 suggested in this clause is an insult to volunteer firemen in every small municipality, township and hamlet in this country.

Let us move to clause 4, which is at page 5, for the benefit of hon. members who happen to have their bills here. All of a sudden there is a suggestion that those who are in receipt of income from offices or employment are entitled to deduct the cost of interest associated with purchasing their airplanes if they are required for their employment.

Let us look at this clause very carefully because if a salesman can show that his automobile is used in his business, then the cost of interest associated with its purchase may be deductible to the extent that the automobile is used, but with respect to an airplane, all one need do is have his employer require him to have an airplane. He does not have to use it. He does not have to fly it anywhere. If his employer requires him to have an airplane, he is entitled to have the cost of interest associated with its purchase deducted from his income.

• (2040)

Is that not wonderful! Today I was expecting the parliamentary secretary to have explained why only those with airplanes are given this allowance, but not those with cars who have to use them. Is that not interesting! There is no provision for renting an airplane, you cannot deduct it. There is no provision for renting a car, you cannot deduct it. But if you have an airplane and you are required to have one, you can get away with an allowance. When this comes to Committee of the Whole, I think the minister's parliamentary secretary had better be able to answer some very serious questions on that.

I will now refer to page 9 of the bill where the number of grants is dealt with. Throughout the Income Tax Act and throughout the regulations, we have provisions for grants for insulation and energy conservation. I do not want to get into the whole question of urea formaldehyde on this point and the way the government has bungled that issue—that is a matter for another day—but apparently these grants are to be taxable. Probably that is proper. Perhaps the government could tell us where the grants to businesses are going. Has the government a grant program for businesses, for corporations, or is the grant merely for homes? Because the grant clause in the bill seems to refer to property used principally for the purpose of using income. I did not know that the minister had decided all of a sudden to establish a grant program for property for the purpose of income. We would like to know about that new grant because, presumably, all of a sudden we have one coming in.

I will now move on to the next matter which concerns me, that is in connection with interest income. At the bottom of page 9, subclause 3 of clause 12, which continues on to page 10, contains a provision which states that interest income