

Income Tax

Mr. Chairman, you will know that in the Province of Quebec a great deal of the legal business is done by people called notaries. They are not lawyers; they belong to the honoured profession of notaries. Indeed, in the rest of the country there are a number of places where notaries do the conveyancing, the wills and estate work. To leave that particular profession hanging out to dry seems to us to be totally inappropriate, but that is what the Minister has done in the Bill.

We seem to be getting more professions all the time. I was told that there were people who look after your feet, podiatrists, who are a profession. They are out to lunch too because they are not doctors in the sense that they are not medical doctors, but they are a profession and run a properly licensed profession.

What we have is a situation where, for example, optometrists are not included. I wonder why engineers are not included or draftsmen who are running a drafting office of some kind. It strikes us that the way of handling this matter has been totally without any real thought as to how the economy works. These people do work for clients or customers who come to them to get their professional service. Then what happens? They cannot get paid unless they complete their work. How can an optometrist charge someone for half an examination? No one is going to pay an optometrist until they receive their glasses, but he may have done some work before that. How is he going to get paid if he does not complete the work?

With respect to an architect's drawings, the plans for a building, the architect is usually paid a fee for completing the plans. No one is going to pay him for half a plan. As was explained when lawyers were given the exemption, no one is going to pay for half a lawsuit. There is really no reason for this mealy-mouthed way of operating by the Government. I want to ask the Minister, how much revenue does the Government hope to collect by taxing the work in progress of notaries in the Province of Quebec? How much extra revenue does the Government hope to collect for that?

Mr. Cosgrove: Mr. Chairman, apropos the point raised by the Hon. Member for Mississauga South, he has touched upon a matter that the Government was certainly alert to even before the Hon. Member raised it in the Question Period in the House some months ago. The Minister of Finance indicated the intention of the Government, in response to the Hon. Member's question, to look at his representation. One of the amendments of clarification which I referred to is indeed an amendment to Section 128 of Bill C-139, which is designed to include notaries in the Province of Quebec.

Without formally moving the motion lest I be out of order, I want to indicate in response to the question that the Minister indicated his intention to amend so as to clarify the inclusion of notaries for the reasons given by the Hon. Member, and at the appropriate time I will rise to move that amendment and make it available to Members opposite and to the Chair.

I might, before resuming my place, indicate that the Government has specified a number of professions that are exempt, but those occupations, some of which were touched upon by the Hon. Member for Mississauga South, that are not included do have the advantage of other provisions of the Act which are of significant benefit to them in the carrying out of their business and their occupations. For example, some of the occupations talked about have the full benefit of the small business rate. Secondly, they have the benefit of incorporation as a business whereas indeed some of the professions that are exempted in this particular Section are by law in some Provinces prohibited from incorporating, thereby having the advantage not only of preferred rates of tax in the income tax but of the legal advantages which have pecuniary value in the protection of the incorporation.

● (1220)

Therefore, in an attempt to find some common basis for equity and treatment of these small "professional operations", we attempted to bring some equity to those who could not take advantage of the existing provisions of the Act or other Acts of Canada.

Mr. Blenkarn: Mr. Chairman, I do not want to take up a great deal more time because my colleagues also want to get into this. I raised the question of notaries. I now raise the question of optometrists. How much does the Minister intend to get from taxing the work in progress of optometrists? While he is at it, will he advise how much he expects to get from taxing work in progress of unincorporated architects? In some places architects cannot incorporate. How much does he expect to get from taxing work in progress of people selling computer services as unincorporated individuals? At the same time, perhaps the Minister could tell us what is the big deal about incorporation? How can he say there is a great tax advantage, after looking at some of the things which the Minister has done in this Statute to rip and tear apart the small business community.

Mr. Cosgrove: Mr. Chairman, of course any answer that I gave to a breakdown of various professions would be hypothetical for the very reasons raised by the Hon. Member. Some bill in different ways, some carry on their practices in different ways. It was not the intention of the Government to go through each individual profession. My answer indicated that for those professions that were exempted, it was done on the rationale that there were benefits available to ones not excluded that flow, as I indicated, either from the incorporation, which is not in the Income Tax Act, but it does have benefits, or, second, businesses which have the advantage of the small business rate available to them.

Mr. Riis: Mr. Chairman, I want to direct a question to the Minister to pursue this point a little further. I suspect there are going to be a great many professions, when they learn of this Clause and the new way of billing, that will be very interested