

Income Tax Act

that he has gone on record as admitting that they followed the letter of the law in all their collections.

Mr. McCann: That is quite true. We do follow the letter of the law. That is the reason that the law is made. We have something that is a yardstick by which we can measure cases generally or any particular case, and if a person receives a benefit that has a monetary value it is taken into account and is regarded as income which is taxable.

Mrs. Fairclough: Mr. Chairman, that fixes it.

Mr. Monteith: May I put another question in this roundabout way and ask the Minister of National Revenue if it is his intention not to make any change in the present procedure?

Mr. McCann: I think I can safely say that there is no particular change contemplated.

Mr. Fleming: Oh, that is a mouthful, because we had a good deal of discussion about this last night, and the whole case made out by the Minister of Finance is that there is a need for enlargement of the definition of "benefit" in this section. If there is no need for enlargement then there is no occasion for bringing this clause before the house for enactment. Presumably some change is sought and the change must be sought for a purpose.

I must say to the Minister of National Revenue that I think he is perfectly right in saying that it is the duty of his department to enforce the law according to its terms. I do not see how he could do anything else or how it would be proper for the department to take any other position.

But when the Minister of Finance throws out the bait tonight that even if the amendment is passed and the scope of the definition of "benefit" is enlarged it is not the intention of the government to expand the present operation in this respect, then I think he is taking in a lot of territory tonight. I do not see how he can give an undertaking that will have any binding effect in any situation that may arise. He did offer the house a statement that if situations arose that may not have been within present contemplation he would give consideration to them, but I am suggesting that is the wrong way to go about this and it is putting the cart before the horse.

Surely the proper way to proceed is not by a blanket definition to include within the scope of taxable income everything that can

by any stretch of the imagination be construed as a benefit under the words "of any kind whatsoever". Surely the proper procedure is for the government, in asking parliament to impose taxation, to bring forward and make out a case for it. The case that has been made out by the minister is in a particular circumstance only, not a case for a wide inclusive extension of the definition. May I say to the Minister of National Revenue that if this section were put into effect I think he would have no alternative but to enforce its full effect. It would be his duty, charged with the administration of the act, to find any benefit of any kind whatsoever that an employee receives as a term or incident of his employment, and, regardless of what the Minister of Finance has said, it would be the duty of the Minister of National Revenue to go ahead and assess. That is why I think we are being asked by the government tonight to take an altogether wrong procedure in enacting a definition of such a widely inclusive effect when no case has been made out for it and, Mr. Chairman, we in this part of the house cannot support it.

Mrs. Fairclough: The minister made quite a case for these words, saying that it was not the intention to enlarge their application, as has been suggested, and the Minister of National Revenue stands up and says just the opposite—

Mr. McCann: How?

Mrs. Fairclough: —that the department must go by the book, that they are going to enforce this according to the words which are in the act, which is the very thing we told the Minister of Finance would happen. But quite apart from whether or not the Minister of Finance and the Minister of National Revenue can come to an agreement at this time, which they probably could do, these words are going to be in the act for all time or until such time as the act is amended and they are taken out. In that connection I draw to the minister's attention that the senior officials in his own department have a rather deplorable record for accepting jobs elsewhere and it could very well be that in a few years the people who have listened to him will no longer be in positions where they will be administering the act. The same holds true of the Department of National Revenue.

In any event, whatever the causes may be, it is quite within the bounds of reason that within a very few years we will have new people in these departments administering the act who will have no recollection of any agreements or undertakings made with the Minister of Finance or the Minister of