would never occur. We know the courts pay absolutely no attention to what is said in this House, either by Members of the Opposition or by Members of the Government. The courts will interpret these Sections.

I am not convinced that any genuine assurance is given to this place upon which Members should rely that in determining costs they, the bureaucracy, are going to exclude overhead costs or a *tipro rata amount with respect thereto or costs representing the valuation of ideas, referred to by the Minister, in fixing the costs which are to be used for the purpose of determining the amount that is to be included in the income of professionals.

Mr. Fisher: Mr. Chairman, I appreciate the additional questions from the Hon. Member for York North who is giving us a chance to cover some important details in all of this.

First, I think that professionals keep dossiers or files on their costs. When I served in this kind of capacity, I did that. I know that my lawyer does it. We are talking here about people who normally, as a matter of business practice, do not have a great deal of difficulty defining the direct costs of a project for their own use or for tax use. In fact, it is probably the pattern that all professionals—architects, engineers and others—keep some kind of running tab of the exact costs or direct costs that they apply to a project.

On December 18, 1981 the then Minister of Finance said that in order to make it easier for professionals, he would only ask them to include such direct costs as a convenience for professionals because the professionals have their own accounting in this style, because they do keep track of their direct project costs. The broader picture he has described of overheads and so on is very often more contentious, and it is in fact harder to keep track of these overheads on a project by project basis. It was because of that and in order to facilitate this kind of accounting that we had that comment on December 18.

The Hon. Member made some reference to businesses becoming insolvent and, therefore, the values of the goods fluctuating. As I understand it, this law is written on the basis of businesses being an on-going affair. It is not written for occasions when businesses go bankrupt.

Mr. Gamble: Mr. Chairman, I noted the comments of the Parliamentary Secretary who indicated that the professions with which he has become familiar have followed a practice of accounting and maintaining a record of their costs. There is no doubt of that. The question here is whether the record maintenance is with respect to each individual project. I know that professionals keep a record of their intended billings, but there is no record maintained of the allocation of actual costs.

Let me give the Parliamentary Secretary an illustration. While dockets may be maintained by an architect with respect to those on his staff so that he may render an account to his client, to the best of my knowledge, as in the case of the practice of law, there is not a record maintained of the salaries paid to employees who may be professionals in the group working on the files, breaking that account down as between a number of files. It is precisely that kind of bookkeeping and accounting process which will become necessary under the circumstances.

The Parliamentary Secretary referred to those who practise law. Quite frankly, they are not the ones who are covered because of their exemption as a consequence of the provisions here. I know personally that the legal profession never did keep a record of the costs. They keep a record of the bills. They keep a record of the charges that apply to a particular client with respect to a particular project, but not a *pro rata* share of salaried solicitors in a firm who are allocated to that particular file. I know of no professional who hitherto has been obliged to maintain that kind of record with respect to the project now to be undertaken. I would like the comments of the Parliamentary Secretary with respect to that.

Mr. Fisher: Mr. Chairman, I can only repeat what I said earlier. Professionals generally do have very good records for their very own use. We are attempting to tie in our requirements to existing record-keeping habits. We are not anxious to force people into keeping brand new records.

The Hon. Member for Mississauga South will recall the heated discussion we had in the Finance Committee about lawyers and the difficulties they would have in this regard. It was precisely because of this argument that we were somewhat sympathetic to their case. We felt that they would indeed be in a situation where they would have to go through unproductive paper work and unproductive activity, to determine costs for the sake of tax.

We were also told very clearly that it is a professional practice to keep costs and to keep some idea of expenses for the sake of billing. When the law is devised, we can say with some confidence that we believe that professions like computer companies and so on can figure out their direct costs for a specific project for the sake of this provision.

Mr. Gamble: Mr. Chairman, can the Parliamentary Secretary indicate whether he has any evidence that firms of architects maintain a specific list of salary allocations among various client accounts, salary allocations with respect to employees of that firm who are working on a client's project?

• (1700)

Mr. Fisher: Mr. Chairman, I refer the Hon. Member to the suggestions in the Finance Committee from representatives of the Canadian Institution for Chartered Accountants who at that point indicated what they would consider to be reasonable accounting practices.

Mr. Gamble: I would have hoped, with a view to informing this House of a serious obligation which, I suggest, is going to be imposed on a group of professionals, that the Parliamentary Secretary would have simply given us a yes or no. I accept that response as an answer in the negative, and I seriously doubt that we will ever get an answer in the affirmative, because professionals do not allocate direct costs among client files.