

ing to see how the two hon. members will reconcile the amendments.

**Mr. Deputy Speaker:** It is agreed that motions Nos. 3 and 4 will be dealt with in the same debate and hon. members will vote on them separately.

Is it agreed that the Chair shall now call it five o'clock?

**Some hon. Members:** Agreed.

**Mr. Deputy Speaker:** It being five o'clock the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely, notices of motions and public bills.

## PRIVATE MEMBERS' NOTICES OF MOTIONS

### INCOME TAX ACT

#### REQUEST FOR AMENDMENT TO PERMIT DEDUCTION OF COST OF TOOLS IN CALCULATING TAX

**Mr. Don Mazankowski (Vegreville)** moved:

That an humble address be presented to His Excellency praying that the Governor in Council will amend the regulations under the Income Tax Act whereby the deduction in computing income allowed self-employed professionals, tradesmen and workmen in respect of capital costs of tools necessary to their trade and similar property be extended to all professionals, tradesmen and workmen, whether self-employed or otherwise who must purchase themselves such property in the course of their employment.

He said: Mr. Speaker, I very much welcome the opportunity to again pursue the subject matter contained in this resolution. Basically, the resolution sets out to allow all tradesmen, workmen and professionals, whether self-employed or otherwise, the opportunity of deducting for income tax purposes any capital costs for tools and other equipment necessary in the discharge of their occupation.

When this resolution was before the House during the last session, it provided an opportunity for hon. members to express their reactions to the intent of my proposal. Upon listening to the remarks of those members who engaged in the debate, and upon subsequently reviewing their contributions in *Hansard*, I must say that I was gratified by their support and their acknowledgement of the fact that this inequity should be removed.

I was gratified by the remarks of the hon. member for North York (Mr. Danson) who stated, as reported at page 6316 of *Hansard*:

What we are looking at is the process of examining our tax structure and the hon. member's notice of motion, I think, should be given very serious consideration.

I want to thank the hon. member for those remarks because I think throughout the debate the spirit and the intent of my submission has drawn support from both sides of the House.

However regretfully, that is about as far as the government members went. They agreed that the act was dis-

### Income Tax Act

criminatory, that it was inequitable. They agree that something should be done. They agreed that the resolution was, in fact, meritorious. However, they then proceeded to cite numerous reasons, all of which were superfluous, which in their opinion, would make it difficult to incorporate the substance of the resolution into the act. The solution they offered in their submission was the rapid implementation of the Benson white paper on tax reform which, I submit, does not even render the slightest acknowledgement to problems which this resolution sets out to overcome.

At this point in time we have not seen the legislation which has continued to emanate from the proposals for tax reform. Judging from the committee reports of the House of Commons and the other place, together with the remarks of the three hon. members opposite who spoke last year during the debate on this resolution, I am fairly well convinced that the new legislation will give absolutely no consideration to the object of my submission.

I may also say that in my opinion, contrary to the opinions of hon. members opposite who spoke on this resolution, the white paper offers no solution to the discriminatory aspects of the Income Tax Act that is contained in the resolution which has been introduced. As a matter of fact, it completely disregards the subject matter which I hope this resolution will overcome. I am not going to reiterate or cite the numerous reasons for the introduction of my resolution and, of course, the logical need for incorporating such a measure. All hon. members who spoke supported the principle and the intent of the suggestion, but had reservations about the manner in which I proposed it might be incorporated.

I believe that the hon. member for Comox-Alberni (Mr. Barnett) pointed out a valid observation in his presentation when he suggested that the Governor in Council did not have the power under the Income Tax Act to amend the regulations to incorporate the purpose of my notice of motion. He further stated that, in his opinion, in order to accomplish the purpose of this motion an amendment to the act would be required rather than to the regulations. He referred specifically to section 5 of the Income Tax Act.

I thank the hon. member for his submission and also for the fact that he was not quite as cynical as the hon. member for Calgary South (Mr. Mahoney) when he placed his support and his evidence before the House. I must say that the hon. member for Calgary South spoke in such an authoritative and critical manner that any sympathy he may have felt for the notice of motion was completely obscured. What I want to do today is outline specifically the relative ease with which this motion could be adopted and incorporated into the regulations by the Governor in Council under the authority of the Financial Administration Act.

Under section 22, subsections (1) and (2), of the Financial Administration Act, the Governor in Council can effectively amend both the Income Tax Act and the regulations. Those specific subsections of section 22 read as follows: