

recognized. The small benefit, however, is a benefit that in the administration is not considered to be a taxable benefit.

Let us remember, too, that section 112(3) reads as follows:

Where the value of all gifts made by a donor to an individual in a taxation year does not exceed \$1,000, those gifts are exempt from tax under this Part.

Now, an enactment with respect to the relationship between employer and employee is more specific than this general statement, but from this general provision some idea of the spirit of the act can be obtained. Taxpayers can make gifts of less than \$1,000 to any individual without attracting a gift tax. The position under the act as exemplified in that section indicates that there is a recognition of the idea that relatively smaller gifts can be made.

Honourable senators, having said all this, I apologize for having taken so much time. I am sorry to be in the camp opposite my friend from Gulf. But it does seem to me that the kind of thing that he wants to get at is going to be looked after as the result of the undertaking of the minister, and that the kind of thing that he wants to tax is going to be clearly taxed. The fellow who gets a Cadillac, as my friend described it, or who has a big insurance premium paid for him, or who has his house furnished for him, is not going to be able to escape tax thereon as a result of the amendment that we have made.

Hon. Mr. Crerar: May I ask the honourable senator if the amendment, then, is really not in the nature of an experiment?

Hon. Mr. Connolly (Ottawa West): Well, I think almost every piece of tax legislation is in the nature of an experiment.

Hon. Mr. Lambert: May I ask the honourable senator if he is in favour of the amendment, or against it?

Hon. Mr. Connolly (Ottawa West): I am against the amendment; I voted against it.

Hon. Mr. Lambert: That is, against the decision reached by the committee last night?

Hon. Mr. Connolly (Ottawa West): Yes; I voted against the decision of the committee in committee.

Hon. Mr. Power: Honourable senators, with respect to what my honourable friend from Ottawa West (Hon. Mr. Connolly) said, I am not going to castigate, I am going to weep for him. When a provision comes before any legislative chamber I do not attach any importance whatsoever to a statement made by a person, who, after all, is only temporarily in office—a minister of the crown—with respect to his future intentions. I have never

been impressed at any time, no matter what Government was in office, with any statements as to its intentions with respect to legislation. The law is the law as written in the Statute Book, and this law must be followed by the civil servants who have to apply it, irrespective of the generous statement of the ministers of the crown who have introduced the legislation.

We are told that the proposed amendment introduced by the department was intended to clarify the legislation. Well, it seems to me extraordinary, if it was intended to clarify the legislation, that those honourable senators who are arguing in favour of it today cannot tell us what it means. To my mind the most logical speech made this afternoon was that by my friend the senator from Inkerman (Hon. Mr. Hugessen), who said it does not mean anything at all. Yet, he urged very strongly that it remain in the bill. Other senators, including my friend from Ottawa West (Hon. Mr. Connolly), say it does mean something, that it is going to catch the man with the Cadillac.

Hon. Mr. Connolly (Ottawa West): We hope.

Hon. Mr. Power: But if it catches more than the fellow with the Cadillac, next year the poor unfortunate small taxpayer will have paid his money, or been prosecuted by the courts and may have gone to jail. Out of the generosity of our hearts we have by another section of the act allowed people to make a gift of as much as \$1,000 without tax. Therefore the lawmakers are generous, and we show it by the book.

It seems to me there has not been much clarification demonstrated on the part of the proponents of this amendment. So, why should it be inserted in the act? I can see no reason for making the provision so broad.

If I may make a suggestion for consideration in another year, it would be this: why would it not be possible to use the words "benefits of any kind over . . .", and then state a certain amount. If the department wants to get only the big amounts which have escaped taxation by indirect contribution to an employer or to an executive's salary, why cannot that be stated? It may not be necessary to say benefits by way of furnishing an insurance policy gratuitously, or by providing the use of an automobile, or paying club dues. But to make the provision as broad and general as is proposed here, that to me is objectionable. As I say, if it applied to benefits the value of which is so much, then I would not have much hesitation in accepting the views put forward by my honourable friends. But as the amendment is proposed, whatever its object may