

making the basic exemption more generous? In his opening remarks the hon. member for Regina East seemed to indicate that might not be the ideal approach. I do not want to paraphrase him unfairly but I think he said it could "crystalize inequities in the law". He was referring to their being embodied in the law, without being removed, although their impact might be moderated. We must consider these ideas when we consider the kind of proposal now before us. Most members of the House feel sympathy for the sentiments expressed by the hon. member in bringing his proposal forward.

● (1740)

As we consider the deduction for tools which a mechanic or other employee may need for his work, I hope we shall also consider the more general issue of a broader range of tax deductions which would affect lower and middle income earners and provide for them some further protection in their personal battle against inflation. We can deal with the particular matter before us now and recognize, at the same time, that a much broader cross-section of Canadians is fighting the same battle and that inflation for all is a problem. We should consider possible tax deductions as relief for them as well.

Hon. Alvin Hamilton (Qu'Appelle-Moose Mountain): Mr. Speaker, I rise to support the proposal of the hon. member for Regina East (Mr. Balfour). I remember many similar types of proposals coming before the House in times past. Let me put forward this argument to members on the government side: Over and over again, after parliament had expressed its will, its will had been thwarted by the actions of civil servants or other officials who are responsible for carrying out the instructions of parliament. For example, members on all sides of this House have said for many years that charging federal excise and sales tax on articles bought by a municipality is not fair. After years of pressure the government of that day, the Diefenbaker government, passed legislation exempting articles bought by municipalities from excise tax and sales tax. Yet, although this House passed that legislation, it was never fully implemented because of a quirk in the regulations. It took another amendment of the law, brought forward under the 1973 budget provisions, to correct this anomaly. These regulations were enforced not by ministers, not by parliamentarians, but by civil servants. I am now referring to the ways and means motion connected with the 1973 budget which finally removed excise tax on trucks bought by municipalities.

The second situation to which I refer is still continuing. About a year ago parliament passed a law saying that family allowances could be raised to \$20 per child. However, regulations made by civil servants and not by this chamber stopped family allowances being paid in cases of children whose parents had both died. The minister has recognized this anomaly and said he will correct it. I first raised this matter in March, and here we are in December and it still has not been corrected. This situation is absolutely immoral. A child with one parent is eligible for family allowance; but if both parents die, that child is not eligible for family allowance. I hope this situation will be corrected. Parliament must speak loudly and clearly, to let those who draft such regulations know that we are follow-

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ing what is being done. If the will of parliament is ignored, as it has been often, we should speak up loudly.

The proposal to allow mechanics and other similar employees to deduct the cost of their tools from income has been made many times. It was before the House when the government considered the so-called tax reform. When the committee considering that bill met, it heard speaker after speaker recommend that such employees be not discriminated against. Everyone knows that if a man works in an automobile producing plant, the company provides the tools; if a man works in a plant producing electrical components, his working tools are supplied by the company. If a tool wears out or is broken, the company writes off its cost against income. But if a man happens to be a tradesman—the common expression is, a mechanic—and he works for an employer owning a small business, he must buy his own tools simply because the employer knows that if the employee buys his own tools he will take better care of them and not lose them. If we impose on that employee the burden of buying his tools and do not allow him to deduct their cost from his income, we are discriminating. Our Income Tax Act discriminates in this way against a very large and necessary group in our type of civilization.

I suggest that we allow this proposal to pass, if only to jolt those senior civil servants, those mandarins, who are responsible in this area and to let them know that this House does not think that this discrimination against the man who works with tools should continue. I have a personal reason for speaking on this matter. I represent a rural area. The backbone of our small communities consists of mechanics who service industries in our areas. Too often they see others idling, enjoying the so-called benefits of unemployment insurance. The idlers come into their shops and say, "Why don't you get smart and go on unemployment insurance?" These mechanics, because they are badly needed, are never unemployed and therefore never take advantage of unemployment insurance benefits. In addition they must carry the burden of the cost of their tools. The fellow across the street who works in a law office does not pay for the materials with which he works; but the working man who works in the garage or machine shop must at present bear the full cost of his tools.

I hope that this grievance of this backbone of our work force can be eliminated, and that the minister will do so before the next budget. I hope, in the interests of humanity and fairness, that the House will not talk this proposal out. I hope it is implemented and that the minister will correct this injustice.

[*Translation*]

Mr. J.-J. Blais (Nipissing): Mr. Speaker, it is a great privilege to take part in this debate—

Mr. Knowles (Winnipeg North Centre): Old reliable!

Mr. Blais: —and, contrary to what the hon. member for Winnipeg North Centre (Mr. Knowles) may think, I do not intend to speak on this bill until 6 o'clock.