

come to us from the House of Commons. I hope that all honourable senators present and other parliamentarians will study the whole situation between now and the next session to ascertain whether any of the fears which have been expressed by some honourable senators prove to be well founded.

Hon. J. Adelard Godbout: Honourable senators, I do not suppose you expect a long speech from me on this matter. I am not an expert on taxation, and perhaps if I were to begin to review the subject in English I would have to switch at some time to French.

At the outset let me say that I shall vote against the proposed amendment of the honourable senator from Gulf (Hon. Mr. Power). The purpose of this bill is to clarify the position as to taxable revenues from employees and from industries. There is no doubt in the mind of any honourable senator, that the house has the right to amend the bill. But after the explanation of the honourable Leader of the Government (Hon. Mr. Macdonald) I do not think there can be any reasonable doubt as to the advisability of approving the bill. Someone questioned whether the four words "of any kind whatsoever" would add anything to the force of the law, but on that point I am of the opinion of the honourable senator from Cariboo (Hon. Mr. Turgeon). It is felt by the departmental officials that the addition of these words would clarify the legislation, and of course we want our legislation to be as clear as possible. We have already been told that a member of the Income Tax Appeal Board expressed a doubt as to what the present law means. If there is a doubt in the mind of a member of such an important board, how could we not expect there to be a doubt in the minds of the taxpayers and tax collectors? That is why I am in favour of clarifying the situation.

As to going as far as the honourable senator from Gulf suggests and defining everything that should be taxable, I think the reverse would be much better. If we legislated that every gift should be taxable but felt that small gifts like chocolates, cigars and cigarettes should be excluded, we would then have to say so. This would result in enumerating thousands of articles in detail. Instead of clarifying the law that would be making it more cumbersome. So I am opposed to the amendment suggested by the honourable senator from Gulf. I am satisfied that we have the right to amend this bill, but at the same time I think we should accept the advice of the departmental officials. We are not familiar with the difficulties they encounter in administering the income tax law, but

I have every confidence in them, just as I have in our other civil servants, and if the department feels that the amendment contained in the bill is required I think we should accept it.

Hon. John J. Connolly: Honourable senators, as the one who explained this bill in the house on second reading, I should say something in connection with this proposed amendment. I rise to do so with great reluctance after hearing what men of so much more experience have already said about the amendment and about general position of the taxpayer under the law.

I must say that I was particularly impressed by the argument made by the honourable gentleman from Gulf (Hon. Mr. Power), and if it were not for the fact that I have a different idea about the practical effects of this legislation I would certainly be on his side. In many respects his argument is a very good one, particularly what he says about the general circumstances of the small taxpayer and the protection we should give him in his dealings with the crown.

Having said this I think it might be appropriate to look again at the section of the act which is being amended. It is section 5, and it reads:

Income for a taxation year from an office or employment is the salary, wages and other remuneration, including gratuities, received by the taxpayer in the year plus

(a) the value of board, lodging and other benefits—

And I will omit the part in brackets.

—received or enjoyed by him in the year in respect of, in the course of or by virtue of the office or the employment . . .

Perhaps I might say just at the end of this paragraph that my honourable friend from Churchill (Hon. Mr. Crerar) can continue to give the janitor a turkey without worrying about the janitor having to declare its value in his income tax return, for I assume that my honourable colleague is not the employer of the janitor. The janitor would probably be working for the landlord. The act says "in the course of or by virtue of the office or the employment", and I do not think there would be any question as far as interpretation on that point is concerned. I believe that is so.

Hon. Mr. Kinley: Yes.

Hon. Mr. Connolly (Ottawa West): It may be argued that the janitor got the turkey by virtue of his employment, but it seems to me that an interpretation of that kind would be too severe.

Hon. Mr. Crerar: What if his employer gave him the turkey?