

*Income Tax Act*

**The Acting Speaker (Mr. Turner (London East)):** Item 37, in the name of the hon. member for Edmonton-Strathcona (Mr. Roche). Shall the item stand?

Some hon. Members: Stand.

**The Acting Speaker (Mr. Turner (London East)):** Item 5, in the name of the hon. member for Malpeque (Mr. MacLean). Shall the item stand?

Some hon. Members: Stand.

**The Acting Speaker (Mr. Turner (London East)):** Item 1, in the name of the hon. member for Egmont (Mr. MacDonald). Shall the item stand?

Some hon. Members: Stand.

**The Acting Speaker (Mr. Turner (London East)):** Item 6, in the name of the hon. member for Lotbinière (Mr. Fortin). Shall the item stand?

Some hon. Members: Stand.

**The Acting Speaker (Mr. Turner (London East)):** Item 42, in the name of the hon. member for Churchill (Mr. Smith). Shall the item stand?

Some hon. Members: Stand.

**The Acting Speaker (Mr. Turner (London East)):** Item 4. Shall the item stand?

Some hon. Members: Stand.

**The Acting Speaker (Mr. Turner (London East)):** Item 43, in the name of the hon. member for York Centre (Mr. Kaplan). Shall the item stand?

Some hon. Members: Stand.

**The Acting Speaker (Mr. Turner (London East)):** Item 45, in the name of the hon. member for Halifax-East Hants (Mr. McCleave). Shall the item stand?

Some hon. Members: Stand.

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**INCOME TAX ACT****SUGGESTED EXEMPTION FOR COSTS OF TOOLS PURCHASED BY MECHANICS**

The House resumed from Monday, December 2, 1974, consideration of the motion of Mr. Balfour:

That, in the opinion of this House, the government should consider the advisability of introducing a measure to amend the Income Tax Act to provide that, for the purpose of computing the income from his employment, a mechanic may, in addition to any other deduction to which he may be entitled, deduct the cost of tools or other supplies required in the performance of the duties under his contract of employment.

**Mr. Balfour:** Mr. Speaker, the motion before the House—

**The Acting Speaker (Mr. Turner (London East)):** Order, please. If the hon. member speaks, he will close the debate.

**Mr. C. Douglas (Bruce-Grey):** Mr. Speaker, I have looked at the debate up to this point on the motion put forward by the hon. member for Regina East (Mr. Balfour). It has been backed by many members on both sides of the House, and for good reason. However, it leaves some questions in my mind and in the minds of others I am sure, particularly with reference to other supplies required for the purpose of the duties under the contract of employment. As has been said earlier, and said by the hon. member for Regina East, the class of employees singled out is very important.

If we accept this motion and give the tax relief that has been requested, we leave the door open to other segments of our population making a similar legitimate request. I refer to carpenters, masons, and so on.

What about other trades that also have to supply in varying degrees their own tools while under contract to perform various services? The hon. member for Regina East is really concerned with trades in this motion, not with professions. We have to look at it in that light to see whether in this time of high inflation, when a reasonable effort is being made to cut back by all segments of the population, this would entail a great expenditure of money and take from the treasury of Canada a large sum of money as well.

Basically, I agree wholeheartedly with the sentiments expressed thus far in the debate. A mechanic is required at his own expense and at varying times to supplement the tools in use in the various garages throughout this country. However, if we open it up for the mechanic, we may have to open it up for other tradesmen as well.

Carpenters require expensive tools in the work they do. Most are required to supply at least the basics. It used to be that if a carpenter had a square, handsaw, and a good knowledge of those basic tools, that was all that was needed. However, these trades are becoming much more technical and it is much more expensive in respect of the tools that they require.

We must look at this carefully because of a precedent that will be established. Will it be necessary to submit a licence to prove that you are a mechanic to qualify for exemption under the measures proposed by the hon. member? What about repeats? Will there be an exemption on the initial cost of the tools required? It was said previously in this debate that that exemption could be as high as \$3,000. What are the other supplies required in the performance of the duties under the contract? Where do we draw the line?

● (1610)

We do have, as members know, an exemption now for 3 per cent, with a full exemption of \$150 each year for those employment expenses. I think we have to take a look and see, if we are making a drastic change in the income tax, whether it is justified at this particular time in history and whether it would be taken advantage of by other segments of the population as fully as possible.

What is the situation now? What tools are supplied mostly by the service stations in which these mechanics are working, and what would we have to do to know exactly where the income tax people stand with respect to the tools that the man himself must employ?