

There were numerous briefs about employment expenses. I shall read excerpts of a few that criticize, some quite severely, the new fiscal proposal.

For instance, let us take professional engineers who incur expenses in the practice of their profession. Here is what they say:

Although we welcome the proposal, we feel it is inadequate.

I understand that; I would dearly like to pay little income tax.

The costs to the members of the liberal professions often exceed the maximum deduction allowed of \$150.

I quite agree.

● (5:30 p.m.)

It is recommended that the 3 per cent maximum of the net income be retained, but that the limit of \$150 apply only when it is not supported by proper receipts.

If a carpenter bought \$500 worth of tools, every year he has to figure out the depreciation on each tool and jot it down on a piece of paper. Then, at the end of the year, he tells himself: I have to produce receipts. Does he have time to think of keeping his receipts? He has time to work, to earn a living, but not for accounting. Let every man stick to his trade, and the cows will be well looked after.

I shall now deal with the brief of the Canadian Institute of Chartered Accountants. I feel they are well qualified to express an opinion on the question.

The brief of the Canadian Institute of Chartered Accountants reads as follows:

It would be useless to authorize or force taxpayers to seek deduction for different expenses connected with their employment, because the administrative difficulties involved would far outweigh the slight increase in fairness which would result.

In another paragraph it is recommended to find some empiric scheme to allow small workers, small tradesmen who work for somebody else to deduct a certain sum of money which can be cumulative.

If one can deduct \$150 a year for tools, in five years one will have quite a chest of tools.

The provisions of paragraphs 2.10, 2.11 and 2.12 are fair. I see nothing but fairness there.

One can read the following:

The commission recommended that expenses be deductible from wages or salaries if "reasonably related"—

This is the key word:

—"reasonably related"—

In the implementation of the Income Tax Act, one may find all kinds of abuses. Some are really deliberate but others are due to absent-mindedness or ignorance. That is what the law wishes to avoid by using a fixed term. That fixed term could be changed according to the comments on the part of the various public and private corporations, individuals, the Bankers' Association and other bodies. Only a few made recommendations, like the Canadian Conference of the Arts, the Canadian Bankers'

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Association and the Canadian Welfare Council. According to the latter, the method is good and could perhaps be improved somewhat.

The Canadian Bar Association, the Government of Ontario and the Canadian Chamber of Commerce also voiced their opinion.

To summarize my thought I shall say that the legislation is not made but it is being made. Everybody will have a chance to express his opinion in this regard. Its object is to protect the small wage earner. That is what my dear colleague was referring to when he spoke of the possibility of amending the law through regulations enacted by the Governor in Council.

The motion is not complete because it does not indicate clearly whether the proposed deduction would be granted as to the cost of all tools bought by individuals in the course of their employment or if it would be granted only in cases where the individual is not repaid for such costs by his employer. It should be more precise, should it not? Legislation must be clear, because people will give it different interpretations.

The Governor in Council, as I just said, cannot amend legislation through regulations if the question was not examined by Parliament.

Finally, why should such a motion be presented when we are in the process of amending the law with a view to improving the plight of the weak and to making the law more human?

[*English*]

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, the notice of motion standing in the name of the hon. member for Vegreville (Mr. Mazankowski) is one that deserves very serious consideration by the House, perhaps at this time particularly when we understand that before long the Minister of Finance (Mr. Benson) will be bringing in amendments to the Income Tax Act and advocating them as reforms of our tax laws. The subject matter of this motion has been discussed at length in the House for a number of years. If the Minister of Finance fails to act on this kind of suggestion, then as far as I am concerned he will not be moved very far in the direction that I think should be apparent in necessary reform of the Income Tax Act.

The motion of the hon. member suggests that tradesmen and workmen who require, as necessary to their employment, certain tools should be in the same position under our tax laws whether they are self-employed or work for wages or salaries. This is a subject I have been raising in one way or another in this House since I first became a member in 1953. I have made various attempts to amend income tax proposals by the government. Most of my amendments have been ruled out of order by Mr. Speaker on the ground that they would affect the balance of ways and means and, therefore, could only properly be introduced by a minister of the Crown.

I would remind the hon. member for Vegreville that among past Ministers of Finance I have had the experience of pleading with Hon. Donald Fleming, who became Minister of Finance after the 1957 election and, more