

Income Tax Act

ance of \$100, he would only be able to claim an additional \$50 against his regular employment.

Mr. Knowles (Winnipeg North Centre): I freely admit I missed that, Mr. Chairman. I am very glad to hear it. It was a little bit raw as it stood in the white paper for this exemption to be added to the other in all cases.

Mr. Lambert (Edmonton West): The deputy minister gets it.

Mr. Knowles (Winnipeg North Centre): As my parliamentary secretary to my right is reminding me, the deputy minister gets it. No one is saying no to that. In fact, the way the heads are nodding I assume it is true. At the marginal rates of some of these deputy ministers, that is pretty good. Really, it is a big joke. The government is making out that it is doing something for the workers of Canada. It is not doing anything. The government has just added a little bit more on top of an exemption level system that is already unfair and in the end it gives a special advantage to those at the top. One of the arguments the parliamentary secretary used in a retort to me—

Mr. Lambert (Edmonton West): The governor of the Bank of Canada gets it, too.

Mr. Knowles (Winnipeg North Centre): In this by-play over here I am being reminded that the governor of the Bank of Canada will also receive this exemption. He is an employee. In fact, he does fairly well.

I am not going to move any amendment at this stage. We have just started on this group of sections, 4, 5, 6, 7 and 8. They will probably be around for at least another day. I hope that another look will be taken at this provision. I suggest, again, the idea of requiring either receipts or vouchers so that it becomes genuine, provided the figure is a little higher. I suggest it should be \$500 and the law should categorize the amounts so that the governor of the Bank of Canada, deputy ministers and some of these people will not get this additional exemption which means a great deal to them at their marginal rates.

I said I had just three things in this group of sections that I wanted to speak about at this point. Those are the three. I welcome the provision of an allowance for income tax purposes for workers who have to work at construction sites and logging camps away from their homes. I would like a precise answer about the extent to which trade union dues are deductible for income tax purposes. I hope the government will reconsider and put on a more rational basis this proposal for an extra exemption for workers' expenses.

• (5:10 p.m.)

[Translation]

Mr. Laprise: Mr. Chairman, during the debate on sections 4 to 8 of Bill C-259, one section among others held my attention, namely section 8. Subsection (1) introduces a new element in the act.

Here is the subsection in question:

8. (1) In computing a taxpayer's income for a taxation year from an office or employment, there may be deducted such of the following amounts as are wholly applicable to that source or such

part of the following amounts as may reasonably be regarded as applicable thereto:

(a) a single amount in respect of all offices and employments of the taxpayer, equal to the lesser of \$150 and 3 per cent of the aggregate of

(i) his incomes for the year from all offices and employments (other than the office of a corporation director)—

A while ago, we saw how, to some extent, representatives of corporations could be exempted.

I go back to the quotation:

—before making any deduction under this section—

Mr. Chairman, I do not intend to read the whole section, because it covers six pages, and that would be useless.

I shall then confine myself to subsection 8(i) which deals with a possible deduction for employment expenses and transportation costs between the employee's residence and working place.

This new provision of the Income Tax Act was granted following numerous requests from the public. But as in clause 109 that we have just discussed, I think the government was quite reluctant to grant Canadian workers this deduction.

I think that the department officials have set at 1,000 miles per year the maximum distance allowed for travelling between the individual's home and place of work. Thus the amount of \$150 mentioned as the maximum deduction comes out to 15 cents a mile. So if I consider that some hon. members get a 16-cent-a-mile allowance for car expenses, I believe that 15 cents a mile is surely not excessive for workers.

That may seem fine at first blush, but far from it. Indeed it is not an amount of \$150, but rather a deduction of \$150 from his income. Now if a labourer is taxed at 11 or 14 per cent, it can easily be computed. The taxpayer will save \$20 at the end of the year. Not more than that!

It is utterly ridiculous to see that the deduction granted to workers travelling to their place of employment is said to be something new, while in fact any professional, either a lawyer, a physician, an accountant or a travelling salesman, is entitled to deduct his travelling expenses in full.

Mr. Chairman, the same privilege should be granted to labourers, either lumbermen or others, who must travel long distances each year, to reach their place of employment.

Mr. Chairman, according to the provisions of subsection 8(1), we arrive at a distance of four miles a day. Anyone with some knowledge of the worker's movement toward their place of employment will admit that it is not four miles a day but rather 10, 16 and even in some cases 20 miles of travel a day.

Today a worker, may it be a lumberman, a construction worker, a miner, if he has no car, finds it difficult to hold a job. I believe that in some trades, like forestry or construction work for instance, the worker must own a car and travel rather long distances to get to his job.

In order to be logical and recognize such right to the worker a deduction must be granted, not a maximum one but a deduction of 15 cents a mile to any individual who can duly prove that to hold his job he had to travel between his home and his place of employment. A construction worker may sometimes have to travel five or ten