

field of health insurance. We are asked to vote a little bit of money for health insurance studies, but even that in former years had never been fully expended. And nothing at all has been done in the field of providing a sickness benefit. When we have raised this question in discussions related to the Unemployment Insurance Act and have pointed out the need for a benefit for unemployed people when they are sick, we are told by the Minister of Labour (Mr. Mitchell) that actuarially that cannot be done by him, that it has to be part of an over-all social security plan. We agree, but the time to get such a program going is now when this government sits here in this parliament with an overwhelming majority and can do not only whatever it wants to do but what it has promised the people of this country that it will do.

There is just one other question, Mr. Speaker, about which I should like to say a few words tonight. It is in a slightly different field, but I am going to take this opportunity to speak about it because I feel it is extremely important and because of the promise which the Minister of National Revenue (Mr. McCann) made to me on Friday last, to the effect that he would give an answer to my question early this week. The minister might ask why I do not wait until I hear his answer, but my fear is that, if I do not give him some of the arguments in advance, he might give the wrong answer.

I refer to the whole question of the right of trade unionists to deduct their trade union dues from their taxable income for income tax purposes. As hon. members who were here in the last session will know, it is the case that certain groups of people are permitted to deduct, for income tax purposes, the fees they pay to the professional societies to which they belong. That deduction applies particularly in the case of lawyers, and there is a notable exchequer court decision of a few years ago which makes it clear that it applies to lawyers not only when they are working on their own but also when they are employed by a firm and paid a stated salary. For a long time it has been the contention of the trade union movement that if lawyers are allowed to deduct, for income tax purposes, the fees to the law society which they have to pay in order to practise law, so should trade unionists, who have to be members of their trade union in order to carry on in their trade, be permitted to make a comparable deduction.

This matter was brought to a head in a legal way by two Winnipeg trade unionists—they were moving-picture projectionists—who in 1945 claimed this deduction, and when it was denied to them by the income tax authorities they appealed and eventually

took the case to the Exchequer Court of Canada. This year, I believe on June 8, the exchequer court in the person of Mr. Justice Angers issued a judgment in favour of these two trade unionists. The position taken by the judge of the exchequer court was precisely the one that we had been taking through the years. He pointed out that if, under the section that was in the act, it was possible for lawyers to deduct their fees to the law society, there was no reason why trade unionists should not have the same privilege and be permitted to deduct their fees to their trade union.

As I say, that decision was handed down on June 8, but it did not reach the newspapers until about the middle of the month. I know that in trade union circles the decision was greeted with a great deal of satisfaction and it was felt that here indeed was a fair decision on the part of the Exchequer Court of Canada. But, lo and behold, within a day or two the officials in the income tax department began issuing statements which reached the press, and these same officials threw cold water on the idea that trade unionists henceforth were to be able to avail themselves of this privilege. Nothing was said by the Minister of National Revenue himself, so far as I could find in the papers, and I doubt if anything was said by his deputy. But these well-placed, well-informed officials told the press that this 1945 case could not be taken to apply across the board. In the main they said two things. First of all, they said that no trade unionist who did not claim this exemption in 1945 can get it now, as can these two men who took it to court, because the time for appealing has elapsed. That could be understood. One could see the administrative difficulties if it were possible to go back over three or four years and get all these exemptions. My colleague, the hon. member for Vancouver East (Mr. MacInnis), points out that the income tax people could do that, and he is perfectly right. They reassess the returns of corporations, and there really is no reason why they could not reassess the returns of individual trade unionists right across the board.

Mr. Smith (Calgary West): They do that for individuals now.

Mr. Knowles: Good. I am getting even more support than I had expected, and I am glad to have it. The point I want to make is that the other statement made by these officials was, to my way of thinking, more serious and more ominous. In fact it seems to me nothing more or less than a defying of the decision of the courts. The other pronouncement made by these unnamed officials in the Department of National