

Income Tax

in Cornwall is not able to deduct his beer and salami sandwich?

Mr. Lumley: Mr. Chairman, I will reiterate what I said earlier. It is important that hon. members understand this. I have been on both sides of the fence; I have been a labourer and also in the business community. I do not necessarily agree with the presentation made by members opposite.

Mr. Mazankowski: You are still on both sides of the fence.

Mr. Lumley: The hon. member for Timiskaming said it all in his original remarks when he said "not for personal use." The exemptions write off only the business portion. Consequently, any expenditures made by individuals for their personal use are not written off. The allowance is restricted to genuine expenses. The royal commission on taxation studied this matter very thoroughly and concluded that the most equitable way of dealing with it was by way of a flat rate.

● (1642)

Mr. Nystrom: Suppose a businessman in Cornwall is buying the champagne and caviar and entertaining a business friend: he will consume some of that personally; he is not going to watch while his business friends eat and drink alone. If he can write off the whole bill, why cannot the working man write off the cost of his beer and salami sandwich?

Mr. Lumley: If any of those expenses are for personal benefit, there is no way in which they can be deducted.

Mr. Nystrom: It is obvious that what the parliamentary secretary is saying is not the case. When a businessman takes out four friends and buys lunch and entertainment for them, he benefits from the entertainment and consumes a portion of the lunch. He does not submit a voucher to the department for only 80 per cent of the bill on the grounds that the other 20 per cent benefited him personally. His portion is considered part of the expense. Why cannot the worker do the same? Perhaps a worker has to meet a fellow worker over a salami sandwich about something which is very important to the job, maybe a technical innovation or a proposal to exchange shifts for a legitimate purpose. The cost of the meal may not be much greater than \$1.25. But why cannot a worker deduct that amount? Why is there a double standard? A lot of workers are asking me that question.

Mr. Lumley: That is exactly what the \$250 deduction is intended to cover; it is intended to cover expenses such as that. The hon. member spoke of a businessman taking out his friends. He is not allowed to deduct in respect of taking out friends, only for legitimate business expenses. Legitimate business expenses are one thing, but when you take friends out you pay the bill from your own pocket.

Mr. Nystrom: The parliamentary secretary tells us the worker gets \$250 allowed for these purposes. Why does the businessman not get an allowance of \$250, and no more? Or, if

the deduction is for legitimate business purposes, why is it not higher?

Mr. Lumley: Let us take the hon. member's case and extend it one step further. For example, union dues paid by workers go to a national union. When the officials of that union take people out to dinner for a legitimate business reason, those expenses are deductible, too, in the same way as in the case of a private company.

Mr. Nystrom: I am not talking about unions; I am talking about the ordinary worker in a plant or factory who may or may not be a member of a union. Why should not the same rules apply to him as apply to the businessman? The businessman can go into a very expensive restaurant to entertain people for business purposes—I will grant that—and he can buy a dinner for those who are with him. But his portion of that expensive dinner is also written off as a tax deduction. An ordinary worker could well be meeting associates for business purposes to discuss matters connected with his job, but he cannot write off an expense so incurred. Why is there a double standard?

Some hon. Members: Question.

[*Translation*]

Mr. Caouette (Témiscamingue): Mr. Chairman, I think it is important that the bill introduced by the member of the New Democratic Party to change the name of the riding from Témiscamingue to Réal Caouette should come into force as soon as possible if we want eventually to understand each other. It is clear, Mr. Chairman, that I give my full support to the motion proposed by my colleague, the hon. member for Rimouski (Mr. Allard). This motion is simply an act of justice towards the working people. A number of members of this House among whom my colleague the hon. member for Timiskaming (Mr. Peters), from Ontario, mentioned a moment ago that we are living in vast regions where people have to travel 25, 30, 50 miles, every morning and every evening to go to work. Commuting is neither a game nor a pleasure trip for these individuals; it is a part of their personal expenses in terms of time as well as in terms of money.

They even go as far as depriving individuals from unemployment insurance benefits because they will say they have no means of transportation to go and look for a job 25 miles from their home. If somebody agrees to that wage reduction, because they will have to spend \$2, \$3 or \$4 for gas every day, which the Parliamentary Secretary to the Minister of Finance (Mr. Lumley) does not seem to understand, I believe it is too much and I wonder whether he really is as naive as that.

The fact remains that those people must spend much more than \$250 a year to go to work. It would be simply fair to grant them \$500 like the province of Quebec is doing. The hon. member for Gatineau (Mr. Clermont) said last Monday that the province of Quebec granted up to \$500. He said to the Minister: "I hope the Minister of Finance, in his next budget, will consider the remarks I have just made". The Minister of Finance answered him he was always pleased to do it and he