

*Income Tax Act*

When you consider travel, you find that the working man cannot deduct the cost of that travel. I suggest that as great an argument could be made in respect of people in shops going to seminars, union meetings and practising industrial democracy as could be made in respect of businessmen going to conventions. If a businessman is permitted to make these deductions for travel and business purposes, why is not the workingman allowed to do so? Why is the workingman not entitled to the same privilege? I suggest that what is good for one should be good for the other.

Let us deal with some other matters. What about entertainment? If a businessman entertains for the purpose of making a sale, doing business or pursuing his normal line of activity, that is all right and those expenses are deductible for income tax purposes. But if Joe takes out Harry, who works in the same shop, because he wants him to join the credit union or they want to discuss a matter affecting their livelihood in the shop, perhaps union business, and Joe buys Harry a beer, that expense is not deductible. The booze the businessman buys is deductible for income tax purposes. There is something wrong in our kind of society when this is the situation. Perhaps neither expense should be deductible; but if one is, the other should be.

We could save ourselves a great deal of money in this respect, because beer does not cost as much as the businessman's high expense account living which takes place at the moment. I know a great many people who work in shops. Many of them have attended retraining schools or studied at night in order to upgrade themselves in the job; they have taken part in apprenticeship programs or have been learning about new machines. They have enhanced their talent and the contribution they are able to make to the shop in which they work and society generally. In effect, they have upgraded themselves, or if we want to put it another way, a capital gain has taken place.

If we were to apply the same rules that apply to capital gains on property, the extra money the workingman earns as a result of having improved himself should not be taxed; he should receive the full increment and there should be no tax applied. After all, the land speculator achieves this result by upgrading the value of property in which he deals. Is the human being less important than a piece of property? However, our tax system does not work that way.

[Mr. Saltsman.]

Let us consider depreciation, for example. The workingman's house is to some extent his factory. He is told that if he buys a washing machine he will effect certain savings; if he buys a good stove he will effect certain savings. Why cannot he depreciate this kind of machinery in the same way that a businessman depreciates machinery used in his undertaking? If we are to have this kind of business depreciation in respect of tax, it should also apply to machinery used in the home. Most of us feel that the home is a man's means of raising a fine Canadian family. Why should he not be able to deduct interest in the home? The businessman can deduct his interest in the profession or undertaking he follows.

The workingman can claim only a very small allowance for his working clothes or his tools, which are essential to his work. These things which he needs for his work are not deductible for income tax purposes, just as the university professor's books are not deductible. This is quite ridiculous. Can you conceive a professor who does not read books? Yet, they are not deductible for income tax purposes. On the other hand, any business entertainment extravagance is deductible for income tax purposes.

It may not be possible to allow deductions for all these things; it may mean an incalculable amount of bookkeeping in order to bring justice into our tax system. So perhaps we should be talking about making nothing deductible. This would not affect the workingman, because at the moment very little is deductible for him. It would certainly bring everyone into line, however. I suspect that the government would save an enormous amount of money on this deal and would very substantially increase revenue derived from taxes.

The Carter Commission tried to deal with this problem. They considered the situation. They saw that living high off the hog was pretty prevalent in this country. They saw that a great deal of it was wrong and should be corrected. They tried to effect a change by suggesting limits on what a businessman might spend; they suggested he might spend so much a day on hotels, on so many trips a year, and this sort of thing. I believe this will not work. It is one of those situations for which it is almost impossible to legislate, because the kind of regulation that would be needed would be impossible to enforce.

In the long run we will simply have to say that none of these things are deductible for