

Income Tax Act

levy. Our tax system generally needs to be improved because it is most unjust.

I remember having a conversation with a businessman at a time when a local trucking firm was in the midst of a strike. This businessman simply could not understand why these workers wanted more money. He argued that, after all, truckers were making just as much money as he. Perhaps if we were to take a look at the dollars they were both receiving in the form of salary, it might look that way. But to do so would be to ignore the vast difference in non-taxable benefits which accrue to one group of citizens as against another. A person on wages or salary pays taxes on everything he earns. The other group of people receive very many benefits which are not available to the wage earner.

Let us consider, for instance, a simple thing like the automobile. Although there is an assessment of what is personal and what is business use, there is no doubt that those in business are able to deduct large portions of their transportation costs. If they travel, much of their travel expense becomes a deductible benefit. Entertainment, of course, is another matter. It is very difficult to prove whether you are entertaining a customer or someone else, and this tends very much to be a benefit. Retirement savings are more easily available to people in business than to the average wage earner. Obviously, if a businessman makes a capital gain, this is an opportunity available to him that is not available to a person on a wage or salary. Sometimes a part of the cost of housing is paid for, and of course a businessman has the opportunity to decide when he wants to bring certain income into a tax position. If he belongs to a business association he is permitted to deduct this cost. If he needs books he can deduct that cost. If he goes to a conference, that cost can be deducted. Even special clothes he might use in his occupation are often deductible. He also gets a depreciation allowance which is very helpful, and this is not available to the wage earner.

Interest rates for the businessman are deductible. Any increase in the cost of money is not as significant to him as it is to a man on wages or salary. On top of that, the businessman often gets special benefits as a result of stock options. Although some businessmen may feel they are no better off than a truck driver, I have not heard of many of them opting to drive a truck after getting out of business. There may be good reasons for

continuing these deductions. I do not think there is a good reason, but perhaps an argument can be made for them. If that argument is acceptable why should not the wage earner and the salary earner also be permitted to deduct these items from their taxable income?

Recently, I received a letter from a professor at Waterloo university in which he forwarded a submission by the Canadian Association of University Teachers. I should like to quote from this letter:

I have felt for a number of years that university professors have been discriminated against because we are not able to deduct from our taxable income legitimate expenses that other professionals, businessmen... may deduct. For example, I cannot deduct the cost of books and journals that are as necessary to my career as is farm machinery to a farmer. Nor can I deduct the cost of travel related to a research project, even though research publication is a prime requirement of my job.

● (9:10 p.m.)

Even worse off is the young professor who is still working on his doctoral dissertation but cannot deduct any of his expenses. When I was finishing my dissertation while lecturing in Detroit, I was able to deduct all my research expenses from my taxable income. A professor in the United States is financially much better off than his counterpart with an equal salary in Canada.

I hope that you will bring these matters to the attention of the Minister of Finance.

It is terribly unfair that one group of citizens should enjoy very real benefits which are just as real as if a money payment was paid, while another group which I believe is just as valuable to our society is not permitted this kind of deduction. Let us forget about the businessman and the professor for a moment. What about the fellow who works in the shop? How well does he do under our tax system? What is his position? He must pay all the expenses incurred in connection with his automobile. He needs his automobile just as much as the businessman does. Anyone who considers the industrial developments in this country knows that a great many people work in one city and live in another. They may travel 15 or 20 miles a day to get to work. Even in a city that has some sort of public transportation system, the automobile has become almost indispensable to the worker in order for him to hold down a job. We all know that running an automobile costs about \$700 or \$800 a year; it frequently amounts to 15 per cent of a workman's income, which is a very big hunk. None of the expenses incurred in running his automobile are deductible.