

financial burden and members of the NDP party, as I am sure they must, blocked passage of that remedial legislation.

What of the inevitable comparison between the shareholders of corporations who make political donations and the members of trade unions who indirectly do the same? The question, of course, has already been screamed out at me in this House by members of the NDP. The individual shareholder who disapproves of the actions of the board of directors or officers of a corporation in which he has shares may, at any time, dispose of his investment. But individual trade union members have no such luxury.

I have already described the fact that their continued enjoyment of their occupation is dependent on the deduction of their trade union dues. I have already described what happens to those dues. They cannot simply divest themselves of their jobs. If an occupation is an investment, then it must surely be a very special one. It is an investment of one's life and the comparison, accordingly, cannot be drawn between a member of a trade union movement who is obliged by the constitution of that organization to make political contributions to a party that he may or may not support, and the shareholder of a corporation who may simply divest himself of his investment and walk away.

There is one other matter to which I would draw the attention of this House. It relates to the tax consequences to individual trade union members when a portion of their dues is contributed to a political party. In computing the income of members of a trade union, one may deduct, pursuant to the provisions of subparagraph 8(1)(i)(iv) of the Income Tax Act:

Annual dues to maintain membership in a trade union as defined

(A) by section 3 of the Canada Labour Code, or

(B) in any provincial statute providing for the investigation, conciliation or settlement of industrial disputes,

In interpreting that subparagraph, however, one must have regard to subsection 8(5) of the Income Tax Act which provides that:

Notwithstanding subparagraphs (1)(i)(i) and (iv), annual dues are not deductible thereunder in computing a taxpayer's income from an office or employment to the extent that they are, in effect, levied—

(c) for any other purpose not directly related to the ordinary operating expenses of the association or trade union to which they are paid.

It is my understanding that the Department of National Revenue interprets those two sections in the same fashion that I do. That being the case, I suggest that it is imperative that members of trade unions be apprised of the consequences of actions taken by the union leadership which render ineffective statutory provisions granting their members specific tax relief. Undoubtedly, the general provisions related to tax credit arrangements in connection with political contributions under the Income Tax Act which are made available to all Canadians would be a preferred way that individual members of trade unions might make, both freely and economically, a contribution to a political party in a fashion which would benefit them more than the simple deduction and the computation of income in the fashion authorized by subparagraph 8(1)(i)(iv) to which I made reference.

Canada Labour Code

There is much in the labour laws of Canada that requires change, change designed to grant to Canadians as members of trade unions a greater degree of control over their own destiny. This bill is but a part of that process. The bill is short and concise, and so are my remarks. I would conclude these remarks by urging passage of Bill C-203 on second reading.

Mr. Gilbert Parent (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I gladly join in this debate on Bill C-203 which the hon. member for North York (Mr. Gamble) has brought before the House. I do not intend to engage in any of the invective to which we have been subjected so far this afternoon. I thought perhaps I could inject a note of rationality into the debate. I would do that, first of all, by reviewing, for the benefit of some hon. members of the House, the legislative enactment with which we are concerned, namely, the Canada Labour Code.

The Canada Labour Code, which was alluded to by the hon. member for York North, as the legal instrument pertaining to employment within the federal jurisdiction. This jurisdiction encompasses some half a million working Canadians from coast to coast, and it covers such national industries as railways, airlines, shipping, grain elevators, trucking, broadcasting, telephones, banking, certain Crown corporations—in effect virtually all undertakings which are of national significance. The code itself consists of three parts, the first one dealing with employment standards, the second one dealing with employment safety, and the third one dealing with what we are involved in today, industrial relations.

As it appears in the statute books, part V contains an interesting preamble which, with your indulgence, Mr. Speaker, I would like to quote, as I believe its essence is pertinent to the subject matter which is under discussion. I quote from the preamble:

Whereas there is a long tradition in Canada of labour legislation and policy designed for the promotion of the common well-being through the encouragement of free collective bargaining and the constructive settlements of disputes;

And whereas Canadian workers, trade unions and employers recognize and support freedom of association and free collective bargaining as the basis of effective industrial relations for the determination of good working conditions and sound labour management relations;

And whereas the Government of Canada has ratified convention No. 87 of the International Labour Organization concerning freedom of association and protection of the right to organize and has assumed international reporting responsibilities in this regard;

● (1720)

And whereas the Parliament of Canada desires to continue and extend its support to labour and management in their co-operative efforts to develop good relation and constructive collective bargaining practices, and deems the development of good industrial relations to be in the best interest of Canada in ensuring a just share of the fruits of progress to all;

Now, therefore, Her Majesty—

There follows part V of the Code.

In the present context I would particularly refer to the way in which existing labour legislation in Canada follows this long tradition, a tradition which has been in effect for decades. It has been closely tailored to the requirements of the parties primarily concerned, that is to say, labour and management.