

Taxation Reform

employees amounts paid on their behalf for travel, board and lodging when they were away from their homes on construction projects. The direction was that this amount should be credited to the employee as taxable income. Well, there was a hue and cry from every construction union in this country.

Members of Parliament were deluged with protests. I remember that a number of leading spokesmen in the then opposition—people like the Honourable Donald Fleming and the Honourable Howard Green—made vigorous speeches protesting information Bulletin No. 10 and the action of the Liberal government in sending it out. When, somewhat to their own surprise, after the 1957 election they found themselves sitting over on the other side of the aisle, there was an amendment made to the Income Tax Act which still stands. The amendment made a provision, for construction workers only, for deduction of expenses necessarily incurred in earning a living. The amendment provided that construction workers, whether the payments were made by them or their employers, could claim costs of travel to and from a job which took them away from their normal place of residence as well as the cost of room and board whilst away from home. That particular proposal was on all fours with the suggestions a few of us had been advancing in the House prior to that. We are not talking about street car fares as part of the cost of earning a living, or even buying a suit of clothes or an ordinary pair of overalls. These are the kinds of things that might be included as a basis in some plan of tax credits and I think they could be discussed before the debate on tax reform proposals is concluded.

I remember telling the Honourable Donald Fleming in this House that the proposal was sound as far as it went but why should there be discrimination against miners, loggers, or anyone else who had to travel away from their ordinary place of residence. Why should only one particular group benefit, just because there had been a hue and cry about it.

I know arguments were advanced, as they have been and probably will be again, that some proposals to achieve equity in taxation are too difficult to administer. I suggest that tax laws should not be framed to meet the convenience of the civil servants who have to administer them.

Some hon. Members: Hear, hear.

[Mr. Barnett.]

Mr. Barnett: In other words, Mr. Speaker, I should like to see a minister of finance who would stand up in this House and say, "We want tax equity." It is not beyond the ingenuity of trained and competent people, particularly now with the facilities we have such as computers, to carry out a proposal that in all essentials is equitable and applies across the board. This proposal in the white paper, if it does anything, will tend to tip the scale of inequity in the opposite direction. If this proposal becomes part of our law there will be written into the Income Tax Act a basic discrimination against those whose income is not from wages or salaries, a basic discrimination against farmers and professional people classified as self-employed for the purposes of the Income Tax Act.

I suggest, Mr. Speaker, that the government is labelling as tax reform something that is not going to eliminate an existing inequity in any realistic way but which is going to create a new inequity in our tax system. This can hardly be called reform. So I felt that I should like to make quite clear on behalf of myself and, I believe, my colleagues in the New Democratic Party that we do not buy this cheap little gimmick, this sop to the wage and salary earners. I suppose it is meant to create in their minds some mirage that a tax reform is being proposed by this government which will be to their advantage.

• (2:30 p.m.)

I do not think the working people of Canada are going to buy this gimmick. I certainly am not going to buy it, and will do what I can to persuade the government to change this proposal so that it will provide for equity in this particular area. For instance, we could introduce changes to the basic pattern already evident in the Income Tax Act. Certain provisions, with minor modifications, could be made to apply to all workers who are in the position of, say, construction workers. That provision could be made to cover the depreciation of workmen's tools and equipment.

If that were done those people whose source of income is wages or salaries would be put in the position occupied by those who are self employed. While that would not completely reform our tax system, such a move would be a realistic one. In my view it would be a very necessary step towards equity and fairness in taxation. I hope that when this subject matter is being considered by the committee, the members of the committee