

Income Tax Act

to faulty research and draftsmanship the motion, if adopted, for some unaccountable reason never explained, would have discriminated against persons who were ordinarily domiciled in situations that did not involve relationships such as by blood, marriage or adoption.

The single man or the man living in sin, but working away from his place of sinful activities or of his single bliss as the case may be, would not have been allowed the same deductions for travelling expenses—

An hon. Member: What about for tools?

Mr. Mahoney:—as the man who was more conventionally situated. Now we find a resolution which certainly is very fine in spirit but again, due to faulty research, we are asked to recommend to the government that it deal with regulations under the Income Tax Act. As the hon. member for Comox-Alberni (Mr. Barnett) has pointed out, passage of this resolution would be futile because the particular provisions of the law that give offence to the hon. member for Vegreville (Mr. Mazankowski) are contained in the act itself and not in the regulations.

Mr. Mazankowski: On a point of order, Mr. Speaker, I did say an amendment to the act and the regulations.

Mr. Mahoney: I am sincerely sorry, Your Honour. I was merely reading the resolution as it appears on the Order Paper. We are being asked to support the following motion:

That an humble address be presented to His Excellency praying that the Governor in Council will amend the regulations under the Income Tax Act—

I did not catch the hon. member amending the motion in the course of his comments. In any case, the provisions of the act define income from office or employment and the deductions by which a taxpayer is permitted to reduce his income, and the act itself states that no other deductions are allowed. Accordingly, while one may comment on the principle advanced here, it is with regret that I cannot support the resolution because to do so would be futile.

The hon. member for York North (Mr. Danson) has spoken most eloquently on the white paper that we are studying in the general area of tax reform. That is certainly an exposition which the country and members of this House perhaps not as intimately acquainted with the process as members of the Finance Committee would do well to refer to. This is a genuine exercise in participatory

[Mr. Mahoney.]

democracy. Whether or not it will be a successful exercise remains to be seen. However, I think its success will in large measure be affected by the sincerity and honesty with which members of this chamber on all sides approach the process, and comments that the white paper proposals for tax reform contain certain social goals are not particularly honest when expressed in terms of amazement at the discovery of some sinister plot.

The fact is that the white paper states very frankly and openly that one of the goals of tax reform in Canada is a social goal. Paragraph 1.13, for those who have been critical of the white paper without getting down to reading to page 7 of it, gives the reference and it is very clear and very precise. There are other goals as well. Just what weight a person gives to the achievement of different goals is a matter of bona fide contention and bona fide debate. It is my personal feeling that economic goals should carry considerable weight, since I cannot quite visualize how an economic shortfall would result in anything but a social shortfall, whereas I do not feel that a social shortfall would necessarily bring economic disaster to Canada.

So, Mr. Speaker, in considering the white paper we are being asked to consider many goals. Certainly the social one mentioned by the hon. member for Vegreville is one, but it is far from the only one. Just what priority a Member of Parliament or a Canadian taxpayer may give to the achievement of the various goals is, as I have said, a matter of very legitimate choice on this part. But let us not kid ourselves that there is anything sinister in the white paper suggestion that social goals are legitimate objectives of the tax system.

A second item which the hon. member for Vegreville evidently discovered with some surprise is the rather inequitable situation which exists, and I would be the first to admit it, regarding the treatment of bona fide expenses incurred by employees in earnings their salaries or wages. This is nothing new, either. The Carter Commission noted the situation in rather eloquent terms on page 290 of volume III of their report, when they said in one short sentence:

The present unfair discrimination against employees should be removed.

However, they rather disputed the basic premise of the hon. member for Comox-Alberni by saying:

—because a large number of employees would be involved, the task of assessment would be enormous if each employee submitted an itemized claim for his or her actual expenses.