

● (1720)

There seems to be no valid reason, however, why those who have higher expenses should not be permitted to itemize and claim them, if properly substantiated. Since it seems likely that relatively few employees would avail themselves of this, the administrative burden would probably not be unduly heavy—probably not nearly as heavy as that involved in handling the claim of the self-employed—and justice would be done. Most briefs have advocated that this choice be given.

It may be noted that in the United States employees may itemize and claim deduction of all "ordinary and necessary" expenses in the same way as the self-employed. Employees are still not quite as generously treated as the self-employed, however. The self-employed may deduct all "ordinary and necessary" expenses from gross income in arriving at "adjusted gross income", and take the standard deduction as well, while employees may deduct from gross income only expenses in four specified categories—reimbursed expenses, travel expenses away from home, transportation expenses and expenses of outside salesmen—and must then make either the standard deduction or their itemized expenses. However, United States tax law does recognize the basic principle that an employee has a right to deduct ordinary and necessary expenses incurred in carrying on his work.

We note that the revenues cost of the White Paper proposals to allow the employees' general deduction, moving expenses and others amounts to \$235 million;

If I may interject, this was \$235 million of extra deductions that had not been permitted to salaried employees before the white paper. The committee proceedings continue:

... we therefore hesitate to suggest that employees' deductions should be broadened.

Here is the part I want to recall for the House.

We recommend, however, because the principle is one of equity, that this be considered as soon as revenue needs permit, and employees given the option to itemize, substantiate and claim deduction of all expenses "laid out or incurred for the purpose of gaining or producing income", in the same way as the self-employed now do...

When we said that, we meant it. We were not simply trying to make up a face saving excuse to use with working people.

In concluding I would like to draw the attention of the House to an interesting comparison. In 1970, when we put out our report, the gross national product of Canada was \$85 billion. In 1974 it is estimated that the gross national product of Canada will be \$140 billion, nearly twice as much as it was in 1970. I submit that revenues do now permit this inequity, that has existed since long before tax reform and that has continued through tax reform, to be removed and for the salaried employees to be given exactly the same breaks as the self-employed now enjoy.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I will only take four or five minutes to express my support for the motion moved by the hon. member for Regina East (Mr. Balfour). This has been almost an annual motion, or an annual private member's bill, or both, for many years in the House of Commons. I can recall other years when there was hardly any disagreement, particularly from private members, on all sides of the House on this issue. I have yet to hear anybody rise to speak against such a motion. So I and others do not need to say much more on the matter.

I am assuming, since I am not a lawyer, that because the hon. member writes the word mechanics with a small "m" in the motion that it covers all other trades as well. That

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being the case, it illustrates how wide the discrimination is, as mentioned by both previous speakers.

The government has given the excuse many times of the administrative nightmare that this would involve, an excuse which I do not believe nor accept. In fact it seems to me that a very simple process would be to have an employer sign a statement of verification of the tools purchased and required by the employee in the earning of his income.

I think we can assume that 99 per cent or more of employers and employees would be honest and fair and would not try to obtain unfair advantage through the tax laws. This discrimination should have been ended long ago, and since there is agreement among members of all parties I urge that the motion be passed.

Also, I want to make a point that I have made almost annually since I came to this place, that in the case of private members' motions I see no difficulty in members on the government benches letting these motions pass when there is unanimous or near unanimous agreement from members of all parties. Private members' motions place no stricture on the government; they do not require the government to do anything. All they do is to ask the government "to give consideration to" or "consider the advisability of" something. There is nothing requiring the government to implement it. This would give the government the sense of members of the House. Surely this is part of our procedure in which members from all parties in the back three or four rows can have some input, in terms of offering advice to and making requests of the government, and it comes in a relatively non partisan manner.

I think it would be a credit to the House to let a motion such as this go through, and I am confident that the government will give serious consideration to the advisability of doing what the motion seeks. But there is nothing which says that it must do so. However, it would certainly give ministers an indication of how members in all parties feel, and it would give backbench members on the government side an effective role to play. It is an opportunity for them to provide a further input into matters which the government might consider. So I plead with members on both sides to let this motion pass now, and thus we can have supper half an hour earlier.

Mr. Ralph E. Goodale (Assiniboia): Mr. Speaker, may I say, as I begin, that it is a pleasure to participate in this debate. I gather from the hon. member for Regina-Lake Centre (Mr. Benjamin) that it is not a new subject for debate in the House, but I am happy to participate in it because of the significance and importance of what the hon. member for Regina East (Mr. Balfour) is proposing, and also because of the fact that the proposal comes from him. I have found that generally the contributions he makes to the House are worthy of further thought and consideration, and I am happy that we are able to give that initial kind of consideration to what he has to say on the matter.

I must say, as my colleague on this side of the House said earlier, that I have considerable sympathy for the basic sentiments behind the motion put forward by the hon. member for Regina East. In a general sort of way and in a specific way we have all given a great deal of thought,