

Income Tax Act

Mr. McCleave: Mr. Chairman, the Minister of Finance is in the House. Yesterday I made a point which I presented in the form of a question. I did not think the parliamentary secretary or the officials could substitute their opinion for that of the minister or the government, so I now take the opportunity to raise the same question again. I imagine the minister is familiar with it. It involves discrimination against non-married people who are living together, whether or not they are free to marry each other, and the fact that they are not given the same type of exemption as those of us who have followed the orthodox route to such a union. The Prime Minister of this country has stated that the government has no business in the bedrooms of the nation. If that is good enough for the criminal law of our country it should be good enough for the tax law of Canada. I, therefore, ask the Minister of Finance if he will agree to make amendments to section 109 to correct what appears to be a glaring case of discrimination, or are the Prime Minister's words simply to be regarded as hypocritical baloney.

Mr. Benson: Mr. Chairman, in this respect I would simply like to say that, while I obviously am sympathetic in this case, it is very difficult to establish what a common-law relationship is. Do you allow people to claim married status because somebody has a girl friend whom he visits every now and then? The law is pretty definitive in respect of what married status is. I think that the relationship about which my hon. friend is talking may, in some instances, be the relationship of people who have gone through the formality of marriage in church or of civil marriage, but at least there is some evidence in that case, and you then move from the stage of people who have this kind of claim, a legitimate claim, down to the end. I believe that in the law it would be impossible to define the kind of relationship that is recognized if you were to consider allowing common-law marriage under the Income Tax Act.

• (4:30 p.m.)

Mr. McCleave: May I make a very sensible observation to the minister because the formula that he is looking for and which he thinks is difficult to achieve happens to be within section 109 already. It deals with people who maintain a self-contained domestic establishment. So we do not have people sneaking all around the city to accomplish this purpose of being in the category that I mentioned. They live together; it is as simple as that. They live in a self contained domestic establishment and provision for that is right in the act.

[*Translation*]

Mr. Matte: The clause now before us deserves our unremitting attention of course, because it can affect the greatest number of Canadian taxpayers. We should therefore take all necessary precautions in order to bring about a real change that would amount to something new for the taxpayers.

As I said before, the government has certainly sought, through this clause, to innovate so that other far less palatable sections could be adopted. The increase of the basic deductions from \$1,000 to \$1,500 for a single person and from \$2,000 to \$2,850 for a married person was thought to be a present to Canadian taxpayers.

[Mr. Blackburn.]

Mr. Chairman, let us forsake the mathematical and technical juggling and revert to the real problems facing the Canadian taxpayer.

I would like also to point out how this government or the Minister of Finance (Mr. Benson), through these inadequate deductions, are unable to somewhat correct certain anomalies, not to say inequities, which taxpayers have to endure.

Mr. Chairman, if one would think in terms of the individual's needs and if the tax legislation could be changed to take into account the will, the wishes and the interest of the taxpayer, the new tax deductions would have been calculated on the basis of the bare minimum that should be guaranteed to each and everyone to enable them to live at least decently if not comfortably. And it is absolutely illogical, and I repeat "illogical" that this bare minimum be taxable.

If we ever calculate the bare minimum which an adult needs to live in Canada, we reach the figure of \$1,500. If we exercise a minimum of judgment, we are going to say that it is \$1,500, but the minister as well as everybody else knows that if a survey were conducted, it would indicate that this amount is largely inadequate and will not even pay for the upkeep of a CEGEP or university student. This does not even cover living expenses for any other individual. It is therefore indecent to tolerate such a small exemption.

There exists a sort of contradiction which I should like to underline. When considering the minimum exemption, taking into account that when the Old Age Security Act was amended, it was estimated that the amount granted as old age pension and guaranteed income supplement was a vital minimum, I believe, Mr. Chairman, that we have in this case the vital minimum for two people 65 years old without any income. Such a vital minimum is recognized as allowing two people to live decently. They are given \$255 per month, that is \$3,060 per annum. This is accepted as a basis, since this is the amount given.

Now, we must at least acknowledge that since the amount of \$3,060 is felt to be needed by people of 65 to live on, in general, people only 65, 45, 30 or 20 years of age need more money.

In that case, to tax an amount of \$1,500 even before the individual has had time to secure food, clothing or housing is nonsense and the Income Tax Act should immediately be amended in that respect.

All hon. members will agree that no one in the House can rise and suggest that \$1,500 is an appropriate vital minimum for a Canadian citizen, when they know very well that such is not the case. Nobody else would pretend that it is so.

I wonder from simple common sense why the tax exemptions have not been raised higher, at least to the minimum income level which each Canadian is entitled to have.

All the more so as this tax reform proposal is so complicated that taxpayers computing their returns will be lost to the extent that they will probably have to pay someone if they want to pay their taxes. Besides, an odious factor will be added to something already not too exciting since our workers, the salaried people, precisely those who pay their taxes at the source—consequently