

Supply—National Revenue

any revenue can be expected. I would hope that by averaging income, or by giving farmers a right to select a particular year as the year in which a deduction would be claimed, an arrangement could be arrived at of some benefit to those who find themselves in the position I have described. I would ask the minister to give some thought to this problem.

Mr. McCleave: The question I wish to raise can be briefly stated. I realize that the Minister of Finance is the minister directly responsible for the Income Tax Act; but what I have in mind also relates to the collection of income tax, which is the somewhat more grisly occupation of the Minister of National Revenue. It would be in his department that most difficulties of this type would be directed, and I am sure a considerable correspondence exists in the department on this subject.

This matter was reported to me by a man in my own area whose wife was confined to hospital for two months last year. Since there are three small children it was necessary for outside help to be engaged to carry on housekeeping. If this woman had been ill at home and if a nurse or a nursing assistant had been employed to look after her, it seems clear under the income tax regulations that the man would have been allowed tax relief by way of deduction in respect of the money so spent. But the wife was in hospital during a time he had to employ a housekeeper.

It may be possible to draw a fine distinction between a woman being cared for in hospital and a woman being cared for in her own home. But I do not think such a line does, in fact, exist. It must have been a comfort to this woman to know that her children were being properly cared for in her absence. It must also have been a great help to the homeowner. But the department, as it is bound to do, advised the man that he could not make a claim in respect of the housekeeper when filing his income tax return. I suggest that probably hundreds of Canadians are involved each year in situations such as this, and that it is worth considering whether some tax relief could not be afforded in such cases.

Mrs. MacInnis (Vancouver-Kingsway): I wish to raise two points. The first has to do with a matter I raised earlier in the session—Canadian employees of foreign embassies in Canada who are not eligible to join the Canada Pension Plan. Earlier this session I asked why such people could not enter the plan as self-employed persons pay-

[Mr. Baldwin.]

ing the whole assessment themselves, and the Minister of National Revenue promised to look into the matter.

I have been approached by an employee of one of the foreign embassies in Canada. She is a native born Canadian and she feels she is being discriminated against in her own country. She is willing to be classed as a self-employed person, but she does feel that though she works for a foreign employer she should have the right to come under the provisions of the pension plan. A number of other Canadians are in a similar position. They feel that ways and means should be found to enable them to enrol in this plan, particularly since they are working in their own native country.

The other matter I wish to raise concerns this question: When is an employer not an employer? The answer appears to be: When she is a woman. I have had many cases brought to my attention of women who are working outside the home but who are classified as employers in connection with the Canada Pension Plan. They have to pay the assessment of 1.8 per cent on behalf of their household help.

Let me give the committee details of one of these cases. Here is a woman, married with two children. Her husband is working and she, too, is working outside her home. From her salary she pays her housekeeper \$135 a month. Of course she has also to pay the contribution of 1.8 per cent on the housekeeper's account. She is taxed at the single rate, so she pays about \$80 a month in income tax. Under the Canada Pension Plan she is called an employer; yet she is not allowed to be an employer under the Income Tax Act.

This woman points out that under the Income Tax Act employers are allowed deductions for expenses of all kinds. The expense involved in paying a housekeeper is an essential one in the case I have just mentioned, because the woman cannot go to work unless she has household help in looking after her husband and the two children, who still need care at home. I am sure the minister will remember the representations from delegations of women from coast to coast urging that a deduction ought to be permitted in cases such as this to professional women doing work outside the home.

● (4:10 p.m.)

I suggest this discrimination is most unfair. It means that the government is still thinking in terms of an economy when most women