

*Income Tax Act*

Amounts paid to dependants of the taxpayer or to relatives under age 21 will not qualify. Receipts bearing the social insurance number of the individual who performed the services must be retained. Child care expense deductions cannot exceed two-thirds of the earned income of the parent making the deductions.

• (4:40 p.m.)

Now, Mr. Speaker, may I say this: I think this provision goes a long way but only part of a very important way in this whole field of child care, the working mother and so on. The Commons committee, as I said earlier, termed the child care deduction a major innovation of our tax system. It suggested that the relief be extended to cover the situation where there is a parent at home unable to care for the children because of permanent, mental or physical infirmity. This idea is incorporated in the legislation; I am glad it is, and I pay tribute to the draftsmen. It is incorporated along with other extensions to cover special situations. The bill permits a deduction for expenses of caring for a child over 14 years old who is dependent because of mental or physical infirmity. However, while this initiative is welcome by the House, I suggest that it can be considered as only going half way along the way, because it is only a half measure particularly in helping low income working women.

I come to the point quickly, Mr. Speaker, by saying that the exemptions are not large enough. Being in the form of exemptions rather than tax credits, they will be of relatively less value to the poor than to the well off. They do not consider possible increases in child care costs involved in demanding receipts from baby sitters. If anybody here has ever tried to get a receipt from a baby sitter, he must know whereof I speak. They do not in any way assist in improving day care facilities and costs, which, in effect, now largely exclude low income people.

The whole area of day care is very much in the public domain, yet we are tiptoeing around it as a national Parliament because some policy considerations may be thought to be of provincial responsibility. This is the ongoing Canadian minuet. Having said that it is the national government that has clear responsibility in the tax field, we ought to say that the matter of day care facilities and costs of operation in maintaining children in day care centres is clearly our responsibility. We should see to it that we look after this matter at this stage of the legislation.

I end where I began, with the plea for clarity and conciseness in the legislation. I expect the minister will be reviewing the wise criticisms of many hon. members about the unfair attitude this bill takes to the co-operative movement in Canada. I also suggest that the bill in no way considers the future of that distressed aspect of Canadian life, the small or family farm. Lastly, although the provisions for child care are innovative and helpful, I suggest with great sincerity that they do not go far enough to meet the realities of the present day, since such a large part of our working force consists of working mothers.

[*Translation*]

**Mr. Herb Breau (Gloucester):** Mr. Speaker, my comments on second reading, or rather on the amendment

[*Mr. Fairweather.*]

brought forward by the hon. member for Edmonton West (Mr. Lambert) will be very brief.

I do not want to delay the business of the House by repeating many things that have already been said, explaining at length approaches for fiscal reform and even less, like the hon. member for Edmonton West in his amendment, taking advantage of the opportunity to discuss economic policy in general. Economic policy is a specific thing and although it is related to a country's fiscal system I do not feel it should be used as a pretext for delaying our fiscal reform and discussing the economic problems we are facing. I do believe we can now carry out this reform since we are faced with economic problems. In fact steps likely to correct them can be taken.

Mr. Speaker, I merely wish to state that I am completely in agreement with the principle of the matter. I wholeheartedly approve the government's idea of opening a public debate on the white paper and of having the tax reform proposals examined by the House, by the Committee on Finance, Trade and Economic Affairs and by the Senate, and then of presenting a bill to the House. Obviously, by so doing, the government was much criticized and found itself in the rather embarrassing situation of having to defend its positions.

In any event, Mr. Speaker, I believe that this will not have been in vain, because, through the debate, the public learned much on the present taxation system, and I believe that, instead of always attacking the government's policy by opposing its proposals, it is preferable to inform the people.

I think that we have done something concrete since November 1969. In fact, Canadians have a better knowledge of the tax system, its consequences on their life and on the economic system in general.

Mr. Speaker, I only meant by these remarks to bring to the attention of the House, as other hon. members have done, a clause or philosophy contained in this bill which could be detrimental to the co-operatives and credit unions, and this, because I live in a predominantly rural area where co-operatives have played, as they still do, a very important role, especially in fisheries.

• (4:50 p.m.)

Co-operatives have played a role in the Maritimes. In my constituency, they have helped the people get through a depression, a disastrous economic and financial situation. But they still have much to do.

Evidently, I acknowledge and appreciate the fact that we live in a free enterprise system and I feel that such a system is the best for Canada, in our political and economic circumstances.

However, Mr. Speaker, that system has some gaps; in general, it has some deficiencies, because too often we are governed by efficiency in terms of statistics, in terms of production, in short, in general economic terms.

I am in agreement with this approach. Efficiency is sometimes necessary. When members of a society wish to lead a certain kind of life, we must recognize their right to do so and give them as much assistance as possible, particularly by way of the tax structure.

It is obvious that the operation of co-operatives and caisses populaires is outdated. The legislation on co-oper-