

Income Tax Act

situations. We experienced a difficult situation in 1959, 1960 and 1961, and we do not want that to occur again. That is why we want the present Minister of Finance to act responsibly.

That is why I say that we are happy to support him in the circumstances and that we do not fear to assume our responsibilities.

• (5:20 p.m.)

[*English*]

Mrs. MacInnis (Vancouver-Kingsway): Mr. Chairman, I should like to say a few words on this subject. It was not my intention to speak until I heard the remarks of the Minister of Finance. There are certain things which arouse the members of this party. When I hear the minister give a long dissertation about how at this time it is impossible to draw a line in respect of the subject of income tax deductions it seems to me it is time that a few of us pointed out some things. I know that in this country there are wealthy people and members of corporations who are permitted to make deductions from their income taxes for a great many things far beyond the bread and butter necessities of many other people.

I do not intend to be diverted from this situation by the minister's learned discourse about the difficult economic circumstances or by the remarks of the Minister of National Revenue about countries which are in an inferior position to Canada at this time. There are people in this country who are now permitted to deduct many items from their income tax. Ever since I have been a member of the house I have been trying in vain to point out that there are other people to whom no consideration is given who are in a much less favourable position. The other day I pointed out that there are a great many parents who live without a partner and are the sole support of their families. These people are obliged to go out to work in order to earn a living to provide for their families. The minister does not give them the opportunity to deduct from their income tax the wages they must pay to a housekeeper or a babysitter. This situation exists in spite of the fact that other people are allowed to deduct entertainment and actual living expenses from their income tax. No one can tell me that it is difficult to draw lines in a matter of this nature.

We have heard about the workers who are not permitted to deduct the cost of necessary

[*Mr. Chrétien.*]

equipment such as boots, tools and safety helmets. Seventy per cent of the married women who are gainfully employed have preschool children at home. It is necessary for these women to secure employment outside the home because in many cases they are married to men earning less than \$3,000 a year. If we had a government which was genuinely concerned about seeing that all the people paid their fair share of income tax, we would not have a situation in which the lower income group do not have the income tax exemptions they should have while the rich and powerful groups have permanent income tax deductions. This is discrimination. It is discrimination against those people who are endeavouring to take care of themselves.

I should like to remind the Minister of Finance that the Minister of National Revenue suggested that the Canadian people are not imbeciles. They certainly are not. A great many people are realizing that the present income tax is inequitable and unfair. The members of this party do not intend to vote for a 5 per cent surcharge which will fall most heavily on those people who are least able to pay it.

Mr. Orlikow: Mr. Chairman, the Minister of National Revenue came to this house with a label which suggested that he is a liberal with a small "l". It is obvious there is truth in the rumour that he is a supporter of the present Minister of Finance in his bid for the leadership of the Liberal party. I have never seen a minister react so sensitively to what I believe were pretty reasonable suggestions on our part. No one in this group suggested that the situation is not serious. No one suggested that the government does not need money. We have merely suggested that the government should apply some principles of equity.

The members of this group have mentioned the fact that miners and construction workers are not permitted to deduct as an expense for income tax purposes the legitimate expenses they must incur in the purchase of hard hats and other equipment of that type. The hon. member for Vancouver-Kingsway referred to married women who must have help at home in looking after their children and the fact that they are not permitted to deduct the money expended in this matter from their income tax. There are construction workers in my constituency who must drive 30 miles each way every day in order to get to and from their employment. They cannot deduct the cost of this transportation but a lawyer or a businessman may automatically deduct 50 per cent of the cost of operating his car even