

Income Tax Act

this could be done through the adoption of separate rate schedules and tax credits. The parliamentary secretary suggests that such a system would be difficult to administer, although Carter indicated that it was possible.

• (4:50 p.m.)

The National Pensioners and Senior Citizens Federation presented a brief to the government in 1968, to which reference was made yesterday. One clause reads:

RESOLVED that we ask that the allowable income ceiling be raised to \$3,000 per couple, \$2,000 per single person,

The brief from the same body dated October 18, 1971 suggests \$3,000 for single people and \$4,500 for married couples. This body is representative of the senior citizens all across this country. Surely, more could be done for them than has been done in the three years since the first brief was presented. It appears, however, that the government is not interested in this area.

I should like now to refer to that portion of section 110 dealing with exemptions and would call the attention of the Minister of Finance and his parliamentary secretary to it. The cost of burial—I am quite prepared to say facetiously that this bill should be buried or cremated and then maybe we could get back to the basic problems of this country! This is a matter of great concern to the senior and all citizens of this country. I have a letter dated October 8, 1971 from the minister which reads:

Funeral expenses are, of course, a personal expenditure unrelated to earning income and, in cases of hardship, need not be incurred in any significant amount. For these reasons such expenses are not provided for as an allowable deduction.

Well, Mr. Chairman, though it may sound frivolous, one individual told me recently that this would be fine and dandy if you could leave the body on top of the ground and tell the government to bury it or cremate it. The minister is in the House at the moment and I should like to ask if he could give some serious consideration to allowing funeral expenses as a legitimate deduction from income taxes. The letter suggests that funeral expenses are a personal expenditure, but surely it ceases to be personal when the law decrees that a body must be buried or cremated. Whether we like it or not, this is a legitimate expense and should be included in the provisions of this act. It appears to me that when we talk about funeral expenses being a personal expenditure which has to be absorbed somehow, we must be realistic and acknowledge that it is a burden to the majority of people.

The minister's letter states that such expenses "need not be incurred in any significant amount". Surely, this suggests "have" and "have not" funerals. The minister probably did not mean to suggest two classes of funeral—one rather elaborate and one to drop the body in a hole. But this is the reply received to a letter I wrote to the minister concerning an individual who wished to have such expenses considered for exemption from income taxes.

In many cases when a husband or wife is ill, the doctor will recommend that the spouse remain near by. This can entail considerable expense for travelling and accommodation, but as far as I know such expenses are not allowed under the Income Tax Act. I should like very seriously to ask the minister if he could give consideration to allowing a fair amount for funeral expenses, whether cremation or burial, and thus eliminate the "have" and "have-not" dis-

[Mr. Skoberg.]

inction. I know that we will not make any radical change at this time, but perhaps he would look into it. Allowances are made in many other areas and with the increasing cost of burial in Canada today, surely consideration could be given to this matter.

The Deputy Chairman: Order, please. Before I recognize the hon. minister I should announce the proceedings on the adjournment motion. The questions to be raised tonight at the time of adjournment are as follows: the hon. member for Nanaimo-Cowichan-The Islands—Regional Economic Expansion—Atlantic provinces—assessment and revamping of departmental programs in light of criticisms—long term targets; the hon. member for Brandon-Souris—Post Office—Steps to improve service and avoid exorbitant cost for mailing letters; the hon. member for Battleford-Kindersley—Agriculture—Farm machinery—federal assistance to prairie provinces in testing program.

Mr. Benson: Mr. Chairman, I simply wanted to say that I would consider the representation of my hon. friend but it is a very difficult matter when one suggests bringing in expenses which are not related to the earning of income. I should indicate that the government did recognize problems in this area when we enacted the Canada Pension Plan. A death benefit was included there to look after the particular situation for people who had contributed to the plan.

Mr. Rynard: Mr. Chairman, I have listened at some length to the remarks that have been made. Many points have been brought out so I am going to be very brief. One of the government members mentioned that they could not go beyond the exemption of \$1,500 single and \$2,850 married and he mentioned a cost of half a billion dollars. That is a lot of money, but perhaps if we cut out the waste and extravagance and look things over very carefully it can be done.

If we go back to the time of the St. Laurent government in 1949, we find that the exemption levels were fixed at \$1,000 single and \$2,000 married. This was fair and equitable then, but surely it is not fair and equitable now to settle for less than the amount of the rise in inflation over that period. I, for one, believed that those figures were fair and equitable when brought in by that Liberal government. There has been a significant change in the cost of living since then. We set the basis for calculating the cost of living index back to 100 in 1961 or 1962. In other words, we ran from 1949 to 1961 and then set the clock back. But we had already suffered a loss of 25 per cent in the value of the dollar. Now, we have gone from 1961-62 to 1970-71 with a consequent loss of 27 per cent in the value of the dollar. Surely, it does not take a mathematician to add 27 and 25 and arrive at 52 per cent.

• (5:00 p.m.)

We are now asking taxpayers of this country to settle for something that will give them far less than the St. Laurent government established for them in 1949. Surely, this is not fair. I have attempted to calculate out what would be a fair exemption for a single person. Statisticians in the government ought to work on these figures. It is no use asking the Minister of Finance to work on them, because sometimes he is in error. According to my fig-