

ideas of equity, but also to some extent our social system. The present system takes the individual as the basic unit for taxation. It reflects the historic social reality of the family unit in which there was one main wage earner.

[Translation]

Mr. Speaker, there is a tax table which applies to both single and married persons and which enables a married person to claim exemptions for his or her dependants. When a dependant starts earning income, the exemptions are reduced until such time the dependant makes enough money to pay tax on his own income. In fact, Mr. Speaker, a great number of regulations prevent the division of income so that two or more salaried persons in the same family cannot pay less tax by dividing their incomes among the members of the family.

We should recognize that our tax system has progressed in an effort to reflect the family and family income concept, and the best example is the child tax credit, a measure introduced by this government. But there are also other provisions in the Income Tax Act under which a spouse can take advantage of a transfer of income or deduction from the other spouse.

[English]

This growing legal recognition of the family as an economic unit has also been evident in recent years in some provincial legislatures which have acted to recognize the equality of the marriage partnership. For some people it might seem a logical extension to apply the same idea to our income tax, and to adopt the family unit and family income as the tax base. In fact, it is not that simple.

The Carter Royal commission on taxation recommended adoption of the idea and put forward a variety of principles it said should be followed in doing so. For example, it said that where an individual and a married couple have the same total income, the individual should pay more tax. But this proposal of the commission was not adopted in the eventual tax reform of 1972. One of the reasons was that, although the commission's various principles for family taxation were aimed at achieving tax equity, they also would have led to great complexities in our tax law.

Since the Carter commission reported, there have been other serious representations along the same line. Not long ago the joint taxation committee of the Canadian Bar Association and the Canadian Institute of Chartered Accountants said married couples should have the option of filing joint tax returns.

[Translation]

Mr. Speaker, this position is the subject of much controversy. Women's groups who work for equality of women are strongly opposed to a joint return for married couples, as they argue that such a system would benefit the wives. In a family where both spouses work, chances are that the wife's income will be lower than that of the husband, and under the present Income Tax Act, her taxes would be lower than her husband's. If their incomes are put together and taxed as a single income,

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the result would be that the husband would pay less taxes and the woman would no longer pay any.

● (1630)

[English]

Women's organizations are also concerned that adoption of the family unit for taxation could mean a working couple might be paying a higher tax on their combined income than they would if they were earning the same income as single taxpayers. This so-called "tax on marriage" is just one of the social repercussions at which we would have to look very closely before adopting the policy advocated in the motion before us today.

Mr. Rose: That is not correct.

Mr. Cousineau: I would ask the hon. member to listen to my remarks, as I listened to his.

Mr. Rose: You are very interesting.

Mr. Cousineau: I thought I was, but it seems I am not.

Mr. Rose: You are, you are fascinating.

Mr. Cousineau: This situation could grow even more complex when we come to write a legal definition of family. The tendency has been to think of the traditional family unit as husband, wife and dependent children. But in writing this new income tax law, there would be some tough questions when it comes to other family groupings. For example, there are common law unions. How should we treat adult brothers and sisters living together as family units? What about religious communities? All these units may be pooling their earnings and resources in mutual support in the same manner as the traditional family unit.

There are other questions which must be addressed. For example, where a spouse, generally a woman, works at home on behalf of the family, she is not generally paid for her housekeeping work, nor is any tax paid on the value of this contribution to the family. If we start taxing the income of the family unit, should we include the imputed value of these services? Many questions have been asked.

[Translation]

However, in closing, I would like to say that I do not pretend to know the answer to all these questions, but that all these arguments show what a complex social and economic impact the approval of this motion would have. On the other hand, and I ask my hon. colleague of the New Democratic Party to listen carefully to this, I believe that it would be premature to reject this whole concept of family taxation without giving it further consideration, as we would need a public debate before making such a basic change in our income tax legislation.

[English]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I do not intend to take a great deal of time, but I want to speak about one particular aspect of the problem confronting families