

requirements of that part of the country, such as an expenditure program rather than through the tax system.

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### THE BUDGET

#### EFFECT ON AUTOMOBILE SALES PERSONNEL

**Hon. Jake Epp (Provencher):** Madam Speaker, I would like to direct my question to the Minister of Finance. It relates to the budget proposal whereby the minister will now assess to car salespersons 30 per cent of the wholesale value of the demonstrator cars they use in the course of selling cars. The minister knows that the car business has been in a slump over the last few years. We obviously want that business to increase.

In view of the fact that in December the average wholesale price of a car was \$10,000, which adds \$3,000 to the average taxable income of these salespersons, is the minister considering withdrawing that provision from the budget, or at least reducing that amount of taxation in order to reflect more closely the state of that industry?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** No, Madam Speaker. As I have stated in reply to a number of other representations, we will have an opportunity to consider the impact of all these measures in the very long debate which has been previewed for us by the Leader of the Opposition.

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### FINANCE

#### TAXATION OF ROAD EXPENSES INCURRED BY AUTOMOBILE SALES PERSONNEL

**Hon. Jake Epp (Provencher):** Madam Speaker, my supplementary question is directed to the Minister of National Revenue. On December 18 the minister again hid behind a stock answer and said that he would deal with these tax provisions with equity and fairness. Regarding the provision of 30 per cent of taxable income for car salespersons, and specifically in view of the state of the industry at this time—for example, there are 1,200 car salespersons in Manitoba alone, so it is a large number of people who are affected—could the minister explain why, if it is dealing with fairness and equity, his own department has submitted a letter to car salesmen and the Canadian Automobile Dealers Association saying that road expenses for these people will be taxed retroactively to 1979 and 1980? These are road expenses which had been accruing and had been used to sell automobiles. Why is the minister now going back to 1979 and 1980 in order to tax these people on road expenses which previously had been allowed?

**Hon. William Rompkey (Minister of National Revenue):** Madam Speaker, indeed it is the intention of the government

### Oral Questions

to deal in fairness and equity both in the matter of law and in the matter of the application of the law. With regard to the matter about which the hon. member talks, I will certainly look into that because I can assure the hon. member it is not our intention to put an unfair burden on people. It is, indeed, our intention to deal with them with fairness and equity.

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### SOCIAL SECURITY

#### QUERY RESPECTING PROGRAMS TO ERADICATE POVERTY

**Mr. Neil Young (Beaches):** Madam Speaker, my question is directed to the Minister of National Health and Welfare, and it also deals with equity and fairness. In the last election campaign the Liberal Party made this promise:

The Liberals are committed to reduce poverty in Canada and to ensuring economic and social fairness for all Canadians.

How does the minister square this promise with the recent report from the National Council on Welfare which shows that some three million Canadians still live in poverty in Canada, that over half of all single pensioners over the age of 70 live in poverty, and that the distribution of income in this country has not changed since 1951? Can the minister tell us when we can expect programs to eradicate poverty in Canada?

**Hon. Monique Bégin (Minister of National Health and Welfare):** Madam Speaker, the hon. member is addressing one of the constant problems in any society, and he wants me to solve it now when we also have a tight economic situation. I do not think his question is serious or responsible in that respect.

I can send the hon. member recent statistics on the fight against poverty in Canada. I discussed this with university students in Toronto two days ago. Those statistics show that over recent years the rate of absolute real poverty in Canada has decreased from 20 per cent to 12 per cent.

Of course there is still work to be done. What we have accomplished up until now has been to index fully—at a cost of millions of dollars—the Child Tax Credit, for example, which is now almost \$300 non-taxable per child. In the coming months this will go to thousands of mothers of families who are most in need at the present time.

#### REQUEST FOR INCREASE IN BENEFITS PAID TO SINGLE WOMEN OVER 65 YEARS OF AGE

**Mr. Neil Young (Beaches):** Madam Speaker, my supplementary question is directed to the Minister of Finance. The Minister of Finance knows—or should know—that the vast majority of single women over age 65 live in poverty. The Minister of National Health and Welfare has certainly publicly stated that fact. Will the Minister of Finance agree to bring in amendments to his budget to use some of the additional revenue the government will gain from both the energy agreement and from additional taxation to increase immediately benefits for those single women over age 65 who are living in