

*Income Tax*

than those who had \$10,000, \$15,000 and \$20,000 homes. I did not think it was fair that the measure to help people with their housing should be based on the value of their homes, as residential taxes are. I felt that if we wanted to help people with housing, there were better methods of doing it than merely allowing them to deduct their residential taxes.

The motion today puts a \$500 maximum on this proposals, but I still feel that it does more to help those with bigger homes than those with smaller homes. While I approve of the motion because it merely states that the government should give consideration to the feasibility of these measures, I have a real question in my mind as to whether this type of measure is the best way of helping those people who have trouble in financing their own homes or in paying their rent.

**Mr. Alexander:** We will be discussing it in the committee.

**Mr. Allmand:** That may be the best way, but this is not a motion for second reading of a bill which automatically goes to a committee. It is a motion that the government should give consideration to a certain measure, and I feel that this debate is an occasion when members of the House can put forward their counter proposals and their doubts concerning the motion.

As I said, like many hon. members I am very sympathetic to the problems of people who are trying to pay for their homes, and I am particularly sympathetic to those who have lower incomes and cannot purchase a home. I feel that if we introduce measures, they should be directed more to those people, and this motion does not really deal with the problem. It might be better to provide direct grants to people who are having difficulty, let us say by amending the National Housing Act, so that we might directly subsidize those on low incomes who need housing. It may be that we should give tax credits to those on medium or low incomes to help them finance their housing, or we could even provide exemptions or deductions as proposed in the motion to be applied only to those who are 65 years of age or over.

I have noted recently that several municipalities around Montreal have decided to freeze residential taxes once a person goes on pension. I think this is very worthwhile because most people buy homes in the early years of their working lives, when they are in their 30s and 40s. They buy a home looking

[Mr. Allmand.]

forward to a certain income which will allow them to pay up their homes and to pay their taxes. However, what is happening is that people retire at the age of 65 on company pensions or government pensions which are more or less fixed. They have these large homes which they purchased in previous years and on which residential and school taxes are increasing, but their incomes are fixed. I congratulate those municipalities which have recognized this problem and decided to freeze residential taxes for those who have retired. Perhaps we should give this proposed exemption for rental or for taxes to people who have retired at the age of 65. Perhaps that would be more equitable.

I have other suggestions also. Perhaps for people on lower incomes we should give tax credits, or perhaps we should restrict the measure to those who really need it rather than apply it to all those who own their own homes because, as I mentioned, those with the larger homes would get larger exemptions.

This brings us to a real difficulty whenever we talk about reforms and exemptions. It is very easy for a member of Parliament or for a politician to approve new exemptions for this and new deductions for that. This is an easy way of becoming popular with a group of constituents. However, if we are to be responsible, when we propose exemptions and deductions which will mean that the government will lose a large amount of revenue—and if this measure were to be accepted the government would lose a very large amount of revenue—and if we want to maintain our government services at the same level, we should think of ways to make up that loss in revenue.

That has been one of the difficulties we had in the debate on the white paper on taxation. Many people approved increased exemptions, for example, for those people on fixed or low incomes or exemptions for people who work and who need to have day care for their children. It is easy to approve such exemptions, but those people also disapproved of the necessary measures to make up the lost revenue. As I said, if we are serious about motions such as this and we want to grant exemptions to people in certain areas in this country, if we want to grant them deductions which will cost millions or perhaps billions of dollars, we have to be ready to increase taxes in another area in order to maintain our revenue at the same level and to give the same services. Otherwise, we are being irresponsible and acting as demagogues, even