name of the hon. member for Parkdale (Mr. Haidasz), notice of motion No. 28.

The Acting Speaker (Mrs. Morin): Is it agreed that, at the request of the government, items Nos. 2, 15, 19 and 20 be allowed to stand?

Some hon. Members: Agreed.

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INCOME TAX

SUGGESTION RESIDENTIAL TAXES AND RENTAL PAYMENTS BE DEDUCTIBLE UP TO MAXIMUM OF $300 PER YEAR

Hon. Stanley Haidasz (Parkdale) moved:

That, in the opinion of this House, the government should give consideration to the feasibility of allowing residential taxes on owner-occupied homes and rental payments of accommodation by tenants to be deductible from federal personal income tax up to a maximum allowable of $300 each year.

He said: Madam Speaker—

Some hon. Members: Question.

Mr. Haidasz: I am glad that there is so much support—

An hon. Member: On this side, not on that side.

Mr. Haidasz: —at least in certain parts of this House, for the motion I wish to present this afternoon. I am reintroducing this motion in this session and in this way I hope once again to bring to the attention of the federal government and to impress upon the Minister of Finance (Mr. Turner) the urgent need to alleviate the heavy and intolerable burden on the Canadian taxpayer, who is not only heavily taxed but in many cases is a victim of double taxation. The motion today, calling for at least the amount of $300 as a deductible expense from federal personal taxable income for municipal taxpayers of owner-occupied homes, and for tenants renting accommodation in rooming houses and apartment buildings, as some hon. members have said is not asking for much; it is a very reasonable request.

We all know how fundamental the provision of shelter is for basic existence, and we are also aware of the difficulty today of supplying adequate housing and providing the many services expected and demanded by people in our affluent society, especially in urban and industrialized regions. No level of government acting alone can hope to be successful in meeting all these needs and demands. That is why all levels of government must be involved in this venture and co-operate more than they have to this date. As the federal government's involvement in municipal affairs is very limited by the provisions of the BNA Act, provincial governments are mostly responsible for education, municipal land use, local economic planning and other services.

Unfortunately, not all provincial governments have as yet developed satisfactory policies and programs to ease the financial burden of municipalities. As a result, municipal governments have to tax property owners to raise money for the provision of more and more services which are becoming costlier by the year. What is unjust about this property tax is that many services provided by municipalities—education, for example—bear little relationship to the value of one's property holdings. Furthermore, a property tax in isolation cannot meet the principle of ability to pay and there is no precise relationship between property ownership and the ability to pay. An elderly couple, for example, has no great capacity to pay taxes by virtue of owning property. Therefore, property taxes are considered regressive, inflexible, inequitable and bear heavily upon those who can least afford them.

Furthermore, the person paying municipal property taxes is a victim of double taxation. Several countries, including the United States, prevent this kind of injustice by allowing property taxes, mortgage interest payments and other expenses as items deductible from personal income tax. On the other hand, Canadian taxation laws allow businessmen to deduct real estate taxes and operating expenses from income tax. In our present economic crisis, I believe it is urgent that the federal government, and especially the Minister of Finance, bring in policies to reduce unemployment, control cost of living expenses and cut taxes.

Mr. Baker (Grenville-Carleton): I hope they listen to you.

Mr. Haidasz: Thank you. Any measures encouraging the construction and purchases of homes and apartments will increase jobs and provide a healthy stimulus to the economy. Almost daily we read in the newspapers announcements and predictions that mill rates, hydroelectric rates, water rates and heating costs will be rising this year almost to intolerable levels. These developments are tragic, especially to people on low incomes as well as to senior citizens on fixed retirement incomes. Renters of accommodation in rooming houses and apartment buildings will also face higher rents because of increased taxes and operating costs. These problems have frequently been brought to the attention of various levels of government and recently by the Federation of Mayors and Municipalities. Members of this federation expressed great dissatisfaction with the senior levels of government for not giving municipalities sufficient assistance.

The rumblings of discontent are growing louder each day in all sectors of Canadian society faced with the rising costs of keeping a home, and heavy taxation. That is why it is imperative that the Minister of Finance give this matter serious attention in his next budget. The federal government has already recognized basic tax relief for marital status, dependants, donations to charity, moving expenses and job related expenses, and it is high time that it recognized the need to grant Canadians a basic tax deduction for shelter.

I believe that the support and acceptance of my motion this afternoon will help ease the heavy load of taxation which is now a crushing burden on many Canadians. I make this motion as a matter of urgent importance, in a spirit of co-operation and with the serious intention of trying to help solve the problem of property taxes, which is an inequitable, inflexible and regressive form of taxation burdening municipal taxpayers.