

will bear—and this is plenty—for housing to be built in that area.

With the kind of legislation proposed in this motion we would be using the taxpayers' money to help people move into such an area and sign an agreement to purchase a house. Those who would really be benefiting would be the developer and the person lending the money. That is what we would be doing with this kind of program. There would be great inequality, and advantage only to certain taxpayers. I am not only thinking of the very rich and the very poor. I use the example of a young man in his twenties who wishes to purchase a house. Under this proposal he would receive maximum tax relief of \$500 plus \$2,000, that is, \$2,500. If he is single he is entitled to an exemption of \$1,600. If he is married he is entitled to an exemption of \$3,000. A single man would be entitled to a generous tax exemption—\$1,600 plus \$500 and \$2,000. This amounts to \$4,100. If he were married he would receive an even greater exemption.

A person working for a construction company may be very well paid. If he works in a northern area his accommodation may be provided at so much per month. However, he would not benefit from this kind of deduction. He would be taxed much more heavily than his counterparts in Winnipeg, Saskatoon or Edmonton. Surely, it is not our objective to keep our young people in the cities. This motion overlooks that factor. It also overlooks the situation of old age pensioners. In this avaricious and brutal society a person who is able to survive to the age of 70 may still own a house. If not, he will have to pay rent for his accommodation. I suggest we would do a great deal more good if we increased the old age pension from a maximum \$170 to \$200 or \$250.

**Mr. Alexander:** You had your chance.

**Mr. Gleave:** That is all right. I have had many chances. That just proves that I am a human being. If we followed the policy that was recommended by the Carter commission, that a buck is a buck, we would get much closer to equality. At the same time, our taxation policy would be equalized. We would be able to make life more pleasant for people in this country no matter whether they are at the top, the middle or the bottom of the income scale.

Under this proposal we would have to contend with another type of problem. Some provinces are moving toward relieving municipalities of the education tax load which they have been carrying. In order to do this the provinces have to move into other fields, such as direct sales tax or income tax. I think the provinces are doing the right thing; this is a logical approach. Education has become expensive and sophisticated enough that it should no longer be charged only to the property owners in the community in which the school is located. Some communities are able to afford a more expensive kind of education than others. The cost of education being carried only by property owners is an obvious inequality. If we want to achieve equalization of income and the opportunity to have good accommodation we should be considering other areas of taxation.

There are inequalities in our present tax system which should be corrected. Allowances should be given to artisans who use rather expensive tools in their trade. We

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should also give consideration to the evaluation of marketing quotas so that there would be a larger measure of equality on the production side. We should value quotas for taxation purposes in the same way as we do land. Quotas have now become a cost of farming in the same way as the tools of a plumber or an electrician. We could justify changes in our tax structure in areas such as these. Possibly we could justify public parking facilities for trailers. I know workmen in the construction business who live in trailers. In addition to the cost of purchasing a trailer, and the interest, there is the cost of keeping it in a trailer park. That can be very expensive. These people live in trailers so they can live in the community in which they are working.

With all due respect to the mover of this motion, I feel it has too many loopholes. There are too many areas which it does not cover. I think we would be further ahead if we were to raise the exemptions to which workers are entitled, provide additional allowances in respect of children under the family allowance plan, pay more generous allowances to old age pensioners, and so on. If we followed such a course I believe we would be further ahead than if we tried to treat homeowners as special individuals entitled to special allowances. Indeed, in today's society a person who is able to raise the money with which to purchase a home, to put down the initial payment and keep up the mortgage payments, is already a fortunate individual. As time goes on there may be far fewer of them. I am sorry I cannot give this motion the support which the hon. member obviously hoped it would receive in the House.

● (1750)

*(Translation)*

**Mr. C.-A. Gauthier (Roberval):** Mr. Speaker, I would like to thank my colleagues for giving me at least five minutes to say a few words on this motion which I find very interesting since it invites the government to amend the Income Tax Act to allow the taxpayer, the owner of a single family house, to deduct from his taxes, half or two thirds of his municipal and school taxes up to \$500. The limit may be a bit high.

I am in favour of the motion since I have always considered that the fact of not allowing for the deduction from income taxes of at least part of municipal and school taxes on a family house was in fact a way of taxing taxes. The owner of a single family house, for example, does not have the advantage of the builder or the owner of apartment buildings and that is why I always said that our laws favour big capitalists to the detriment of small investors.

If I had houses to rent I could deduct from my income taxes two thirds of my repair costs when people making mortgage payments on a single family house cannot benefit from such a reduction.

So, as far as municipal and school taxes are concerned, big companies settling down in a community as often happens in my riding, can benefit from a municipal tax exemption during 20, 25 or 30 years.

On the other hand, to encourage small industry, to provide employment, the small owner who merely wishes to provide shelter for his family cannot deduct anything in the form of municipal taxes. As soon as he spends \$10 or