

*Income Tax Act*

is the most seriously affected. As I said a moment ago, being better acquainted with the tax-paying capacity of its people, the municipal administration does not dare to increase taxes. This leads us to conclude—and it is becoming urgent—that we should completely review our taxation system with a view to decentralization.

Mr. Chairman, in all sincerity, I would like to make a few suggestions to the Minister of Finance, concerning income tax.

One of those I would like to see adopted is an exemption which, I believe, could be allowed to individuals who possess their own house, their own dwelling; they would be granted an exemption based on the cost of municipal and school taxes, for instance, if a citizen has to pay \$500 per annum for municipal and school taxes, he would be entitled to deduct that amount of \$500 from his taxable income. I believe that such a measure would be an encouragement to housing construction and, following other measures which have already been taken, it would certainly stimulate construction and encourage people to own their homes.

Mr. Chairman, I am convinced this exemption based on the cost of municipal and school taxes would be much less costly to the departments of finance and national revenue than the present system, which has to cope with difficulties caused by the requirement in regard to charity receipts, about which much was said this afternoon and to which I do not wish to refer again.

I am of the opinion it would be much easier to control this tax exemption than that we have presently; not that I am opposed to this one, of which we may avail ourselves by producing charity receipts, but I am convinced it would be an additional exemption which would certainly be to the advantage of Canadians.

On the other hand, I would bring to your attention, Mr. Chairman, that this tax exemption based on municipal and school taxes already exists in the United States; and if we may say that everything coming from the United States is not good, it must be recognized, however, that we have some lessons to draw from those people as far as economic measures to be taken are concerned.

Mr. Chairman, I shall also take the liberty of suggesting to the Minister of Finance or other responsible people, that further consideration should be given to the case of the heads of family whose children are attending university, since the present exemption is utterly ridiculous, when we take into consideration the expenses relating to the education of these children.

I am coming back to another point already raised, I believe, by another member who [Mr. Frenette.]

said—I am sorry to come back to it but I am convinced that it is important—that a particular tax exemption should also be granted to workers and loggers who are forced to lay out money for the purchase of some working equipment. If I am not mistaken, I think that some professionals are granted a tax exemption when they have to buy equipment. It would therefore be fair, natural and normal that our Canadian workers be treated in the same way as some categories of professional people because, in fact, they also have their role to play in the country.

Other suggestions have been made of course, Mr. Chairman, and I do not want to repeat them. However, aware as I am of the good will of the Minister of Finance, I know he will take notes and that probably, in the course of the debate that will follow, will be glad to inform the house of new tax relief with regard to personal income. On the other hand, we understand very well the needs of the government which is faced with an ever increasing deficit and which sees its expenditures go up each year. But unfortunately, we find that those who are most opposed to new taxes are precisely those who want most.

We are now witnessing, Mr. Chairman, a contest between the three government levels concerning taxing, a contest whose costs have unfortunately to be paid, as always, by the Canadian taxpayer.

In the field of industry, people are concerned and inquisive about the future. The tax burden is so heavy it has become an obstacle to development and progress. We are in a vicious circle, Mr. Chairman. As long as we refuse to admit that the present situation is contrary to what existed 50 years ago, namely that the main problem which faces us at the present time concerns distribution and consumption, and not production, there is no reason to roam the world over to find possible markets. We have the market right here in Canada. We must give Canadians efficient means to allow them to play their part as producers and consumers.

Mr. Chairman, may I read here an extract from a speech delivered by Mr. Orland, businessman from Halifax, at a convention of the chamber of commerce, when he said:

Immediate steps are required to alleviate the fiscal burden before it stifles the economic growth. Mr. Orland calls taxes a major problem which increases all the time, and he blames federal, provincial and municipal governments for "levying all taxes you can think of".

If taxes go on increasing at the same pace as in these last years, "a disproportionate part of the gross national product will be channelled to government coffers to the detriment of private enterprise".