

Income Tax

raise money to keep abreast of the demand for more services caused by increased industrialization and growing urban population is limited. And so we are subjected to increased municipal taxes every year. In his inaugural address to the Toronto City Council on January 7, 1970, the Mayor of Toronto stated:

If there was one message which came through loud and clear during the last municipal election, it was the appeal from home-owners of this city that they cannot afford to pay higher taxes.

Among other things, Mr. Speaker, the mayor also stated that he was most disappointed to see no mention in the federal government's white paper on tax reform of a resolution which was considered by the Canadian Federation of Mayors and Municipalities calling for a new provision to allow municipal property taxes to be deducted from individual taxable income. Such a provision is allowed in the United States and it avoids the injustice of forcing a home-owner to pay a tax on income which had already been taxed.

A person paying property tax is, in effect, paying a double tax. The hard-earned money with which Canadians pay their property taxes has already been taxed to death by provincial and federal governments. Many tax experts have described residential taxes as being inequitable and regressive bearing heavily upon those who can afford to pay them least. At the present time, property taxes paid by businessmen are deductible; property tax paid by apartment-owners is also a deductible item. Single-family zoned homes rented to tenants fall into the same category. Furthermore, the owner of an apartment building can take advantage of corporate tax law by deducting his operating costs, mortgage interest costs and municipal taxes whereas dwellers of owner-occupied homes, like tenants in boarding houses and apartments, get no such relief when computing their federal income tax.

Reading the speeches and resolutions of the mayors and councillors of Canadian municipalities it becomes obvious that there is a growing dissatisfaction with the senior levels of government for failing to give the subject of municipal taxation the attention which it deserves. The rumblings of discontent are growing louder each day. I believe it is imperative that the Minister of Finance, together with his provincial counterparts, give this matter serious attention, and, I hope, favourable consideration.

House and property stand at the centre of most people's lives. Proper shelter means

security. It also means independence and privacy. It contributes to a better family life and to conditions which make it more satisfactory to raise a family. Unfortunately, the increase in the housing costs index between 1964 and 1967 showed it to be the most rapidly rising component of consumer prices in that period.

Senior citizens are particularly at a disadvantage as far as municipal taxes are concerned. I am sure hon. members would agree that inflation has most affected those who lived on fixed incomes. Older people with limited retirement incomes are obliged to exist on small pensions. In their earlier years senior citizens denied themselves many things in order to pay off mortgaged homes. Today they find themselves faced with ever-increasing municipal taxes. Many of them are forced to sell their homes and live in apartments. But tenants in apartment houses also face rent increases whenever municipal taxes rise.

By supporting this motion, hon. members will make it possible not only for those who reside in owner-occupied homes but also for people who live in boarding houses and apartments to claim an exemption in connection with their personal income tax. This would ease the intolerable load of taxation which is now such a heavy burden on Canadians. I believe the finance committee of the House of Commons should consider the subject matter of this motion in the course of its study of tax reform. I hope the Minister without Portfolio (Mr. Gray), who assists the Minister of Finance, will support my motion as he supported a similar motion which I presented to the House during the last session of Parliament.

Mr. Speaker, this is a rare opportunity for us to reduce federal income taxes. I am sure the people of Canada would welcome action of the kind proposed in the motion, and this is why I appeal to all hon. members to support it.

Some hon. Members: Hear, hear.

Mr. Lincoln M. Alexander (Hamilton West): I had not intended, Mr. Speaker, to take part in the debate on the motion of the hon. member for Parkdale (Mr. Haidasz), but I learned of it earlier this afternoon while I was on the plane with him, and I thought it was a particularly interesting motion inasmuch as the opinion expressed in it has been a platform of Her Majesty's Loyal Opposition.

What originally concerned me was that in referring to tenants there might have been a