

Income Tax Deductions

a much greater responsibility in meeting the needs of people than they had a few years ago. Consequently, the federal and provincial governments must apportion greater revenue according to greater responsibility. The federal government cannot escape coming to a new revenue-sharing agreement with the provincial governments, who in turn, if they are to be fair to the municipalities, must come to better tax-sharing arrangements with the municipalities. In the province of British Columbia, and I believe in the province of Ontario, the provincial authorities, in lieu of making a new tax-sharing agreement, have been giving home owners a grant. That is good as far as it goes, and certainly no one would care to tamper with any arrangement that helps home owners. But it is open to the same objection I have to the motion proposed by the hon. member for Parkdale, namely, that it helps everyone on a flat-rate basis regardless of income. This is why I consider it an emergency measure only.

I noted that the hon. member for Parkdale quoted the resolution of the Federation of Mayors and Municipalities which proposed that city and municipal taxes be deducted from taxable income. If this proposal were adopted, then a sliding scale would be in effect that would be in accord with people's income and ability to pay. The last point I wish to make is that I do not think the federal government can escape taking another look at its white paper on tax reform and deciding to implement, to a far greater degree than I suspect is the government's intention, the principles of the Carter report, which state that a dollar of income is a dollar of income, no matter where it comes from or how it was earned; that people ought to be taxed all the way up the scale without regard to the way in which they earn their living or obtain their income.

With these reservations, and particularly the one I have expressed with regard to the ceiling, we would wholeheartedly support this measure so long as it gave relief to people according to need. Certainly this change would improve the proposal greatly. If the hon. member for Parkdale gets a shot at this another year, then I have no doubt that with these modifications the motion would have the blessing of every member of the House.

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, it is a delight to take part in this debate for at least two main reasons. The first is because, I believe it is accurate to say, the universal admiration of the House for the hon. member for Parkdale (Mr. Haidasz) and our awareness that he is an individual with a very deep humanitarian concern, something that this notice of motion bears out. I draw the attention of the House once more to the wording of the motion, which reads as follows:

—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 \$500 each year.

The second reason that I am delighted to speak on this important notice of motion was also articulated very well

[Mrs. MacInnis.]

by the hon. member for Vancouver-Kingsway (Mrs. MacInnis) as well as the hon. member for Parkdale, namely, that the motion deals with the tax burden that falls upon the municipalities in this country. A study of the statistics relating to the tax load assumed by municipalities makes this increasing burden obvious.

I am delighted to see the hon. member for Coast-Chilcotin (Mr. St. Pierre) in the chamber. With great respect, I should like to draw the attention of the members of the House interested in this subject to a speech that he made some months ago wherein he demonstrated very capably with facts, research and statistics that the area of government among the three levels, federal, provincial and municipal, which was expanding the most was the provincial level and the one locked in a corner on this question was municipal government. I am not going to go into this because it is all in *Hansard*, but it is a speech that I would highly recommend to anybody interested in this motion; indeed, in the whole question of how better to help the municipalities.

The motion recommends to the House a kind of direct tax deduction up to a maximum of \$500 a year. The directness is admirable in some ways, but it also has weaknesses. One of the attractions to me is that it means those on lowest income will, in a sense, get the most help. It may well be that a \$500 diminution of taxable income—no, it is not taxable income, and that is an important point. What it is is an actual reduction of payable tax, at least as I read the hon. member's notice of motion. It is an actual reduction in the amount of tax that is in fact paid, not a reduction in taxable income. This, in particular, would help those who had only a small amount of tax to pay and might indeed remove them from the tax roll altogether. To an extent, I suppose it presumes that all of us are hoping that when the tax reform legislation is brought before the House very shortly in the life of this Parliament, it will accomplish something like this.

Since I realize others wish to speak I shall come straight to my main point, and it is this. How do we relieve the tax burden that falls on the elderly and on the poor? We relieve the tax burden on the elderly and the poor by revising our tax system to give them a smaller share of the tax burden. I should like to bear upon the good graces of the House for a few moments this afternoon to quote but a few sentences from a letter I received dealing exactly with the topic now before us. It is from a constituent of mine. I am sure many members, especially those who have been members for many years, will have thicker files than I have on this subject, though my own file is quite thick. Let me just put on *Hansard* a sentence or two of this letter:

● (4:30 p.m.)

As you know I am a widow over 80 years old, living alone, own a small property and find it very difficult right now with price of living going higher, to manage on my bond interest and pension. I hesitate to cash in on the savings which my husband and I had laid aside for our old age which if I have much medical or nursing care wouldn't last long. My school tax alone in 1970 was \$134.95. It just doesn't seem fair to be paying so much,