

Mr. McCutcheon: Mr. Speaker, you will have to protect me from the interjections of some of these people. He was blind for three days, but he saw the light instantaneously.

Let us get back to something which some members of this House will understand better. A kitten gets to see after three days, but for the hon. member who moved the motion it has taken six years to progress this far. I have here a piece of paper dated October, 1965, which reads:

Home Owners and Municipal Taxes: Up to \$500 will be allowable as a deduction for income tax purposes. This will give the federal government an immediate share in the cost of education by easing the burden of property taxes. It will also encourage home ownership, an important part of Progressive Conservative policy for the 1965 general election. Diefenbaker.

I point out to hon. members that this program was not a howling success, as history will attest. I throw this out as a word of caution to the hon. member for Parkdale. However, I am personally encouraged because, who knows, after the progress the hon. member has made he may even join his former colleague from Toronto who saw the light a little earlier. Seriously, though, this concept is an excellent one and I think it should be followed through. Increased savings could be generated and these could be used to help our country in some way. How much ought to go into such a development fund, I do not know. But the government could encourage the program by appropriate incentive tax moves. Like the hon. member for Parkdale, I urge the government to accept this worth-while suggestion. Let us pass the motion forthwith.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, like those who have already spoken, I want to express general support for the intent of the motion because I think the hon. member for Parkdale (Mr. Haidasz) has been picking away for quite a few years trying to solve through this motion the problems of the hard pressed city taxpayer.

We know in this House that over the years the problems of the cities have been increasing by geometric progression. They have been piling up higher and higher and, as the hon. member for Parkdale said, the kind of services and the number of services now required of city administrations is very great indeed. It is only a very short time since in its fullness the whole idea of pollution control and the ramifications of that were added to the other matters which our cities have to consider and, of course, the last few months have been a terrific increase in the welfare burden due to the large degree of unemployment we have been experiencing.

I take issue with the hon. member for Lambton-Kent (Mr. McCutcheon) to some extent. I want to point out that whether or not the conversion of the hon. member for Parkdale took place on the road to Damascus, Tarsus or any other place, he did not see the light in three days or even in six years in one flash. It has taken a long time.

An hon. Member: He is a slow growth type.

Income Tax Deductions

Mrs. MacInnis: Yes, it is very slow growth. This bill is improving. I do not know whether, like wine, it is improving with age or whether it is improving with the age of the hon. member or what, but it is improving. I remember speaking on this bill when the hon. member had it directed completely to owner-occupied homes. This afternoon we see, and this is greatly in his favour, that he does not have a closed mind. When he began considering it, he realized that people were paying rent as tenants. I do not know whether he would include boarding houses in his measure. Yes, he would: he certainly mentioned it in one of the papers he read from. However, these people also are paying taxes very heavily. So this is the first change the hon. member has made, and I think this change is a very good one and the resolution is improving when he speaks of the feasibility of allowing residential taxes not only on owner-occupied homes but on rental payment for accommodation by tenants to be deducted from personal income tax.

Then he adds the ceiling of a maximum allowable, for income tax purposes, of \$500 each year. I believe the idea of a ceiling is all right, but I think he has the ceiling in the wrong place. This is why I am hoping that the conversion by next year, unless the government accepts the motion this time, will have that ceiling in another place. You see, the ceiling of the \$500 would be deductible by anybody who owned a home and lived in it, or a renter-occupied home, or any kind of rented accommodation.

I think we have to provide a ceiling having reference to the income of the people living there, instead of a ceiling in reference to the kind of accommodation where-in they live. This kind of ceiling would give equal protection to the owner of a \$50,000 home and to the tenant who pays \$150 a month in rent. It would give equal protection to the owner of a \$50,000 home and to people in my riding who perhaps paid \$5,000 years ago for their home and are now elderly people with very little to go on in the way of resources. They would not get nearly as much benefit relatively by being able to deduct from their income tax up to the \$500 ceiling as some other people would.

• (4:20 p.m.)

I urge the hon. member, if the motion he has moved is not adopted today, to look at its terms and consider placing a ceiling on people according to the income they have. I think it would be better to afford protection to people in direct proportion to the extent of their burden of taxation. Like the two other hon. members who have spoken, I do not think one can overemphasize the need for this sort of measure at the present time. Our cities are finding the going very tough financially. I do not think this proposal would in itself provide a new and fair deal for the hard pressed home owners and tenants, but I think it would be very useful if the hon. member considered the ceiling I have suggested.

What is really required is a reallocation of the tax revenues among federal, provincial and municipal authorities. It is a fact that today the municipalities have