

Mortgage Tax Credit

And in Ontario there is presumably a greater capacity on the part of Ontario residents, because of their higher income levels, to purchase their own homes.

I would like to make one last point on the response from the Minister of Regional Economic Expansion to my suggestions. I suggested that there be a sunset clause so that the difficulty experienced in the United States, that it has been found impossible to close the tap on their program, will not be a Canadian experience. The minister said:

Your proposal to include a sunset clause in the program could only be justified if home ownership were to cease to be a social goal at some future time.

I do not think anyone will dispute with the minister the fact that it is a social goal, but the difficulty is that if this program is put into place it will become almost impossible to get it out again, no matter what may be said at this time. We know the experience of the present President of the United States who in one of his campaign promises said that he would get rid of the deductibility of interest on mortgages. However, when he got into office he found that the politicians would make it impossible to put such a measure through, so the United States finds that it is stuck with what everyone in that country acknowledges is a bad piece of legislation.

I would like to quote from a document in the building industry called "The Canadian Builder". In an editorial headed "Mortgage Interest Deductibility: Tinkering with a Time Bomb", it says:

Stop asking the government for free goods and services, however desirable and necessary they may seem to be. They are not free. They are simply extracted from the hides of your neighbours, and can be extracted only by force. If you would not confront your neighbour and demand his money at the point of a gun to solve every new problem that may appear in your life, you should not allow the government to do it for you.

The Acting Speaker (Mr. Scott, Victoria-Haliburton): Order, please. I regret to inform the hon. member that his time has expired. In order for him to continue, he must have the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Peter Ittinuar (Nunatsiak): Mr. Speaker, like many Eskimos in Canada, my hearing is quite bad. Let me preface my remarks by saying that it is perhaps appropriate I speak to a rather subdued House today because, in terms of government priority, northern housing programs have been just as subdued. I would like to illustrate that by giving hon. members a number of figures. In 26 communities in my riding there are a total of 3,353 houses, of which 37 are privately owned. That is not for a lack of desire, however. Many of these houses contain primary, secondary and tertiary families, so hon. members can imagine the need for housing programs for the north and particularly in my riding of Nunatsiak.

● (1610)

My colleagues have already pointed out that Bill C-20 will benefit present-day home owners without increasing the possibility of home ownership for others, and also that developers

and lending institutions are likely to be the recipients of large financial gains.

The rationale behind Bill C-20 is supposedly to increase home ownership and lighten the financial burdens of present day home owners. These are certainly honourable goals. The mortgage interest tax credit, however, will not alleviate affordability problems for those Canadians most in need. Four out of five households that spend over 25 per cent of income on housing are renters. These are the people who have a real affordability problem. They are also the people whose needs are ignored.

Similarly, almost 99 per cent of the people in my riding are not eligible for this tax credit. In the Baffin region, which is a very large area of Canada, 0.61 per cent of housing is privately owned and operated. In the area north of the tree line as a whole, 1.1 per cent of the total housing is privately owned. Bill C-20, therefore, will benefit almost no one in the riding of Nunatsiak nor will it increase the number of home owners in that riding in the future.

The major factor contributing to the small percentage of home owners is the high cost of fuel and utilities in the north. In light of this, and given the increased fuel costs faced by all Canadians, I should like to recommend that the government withdraw Bill C-20 and in its place institute a utility and home heating subsidy which would warm the hearts of all Canadians, especially those in the western and eastern Arctic. I see the hon. member for Western Arctic (Mr. Nickerson) smiling at this because he approves. The alternative would be to standardize these costs across the country, with an additional subsidy focused on targeted regions where the need is greater.

If Bill C-20 is passed, it will cost the government millions if not billions of dollars over the next three years. If the government is willing to spend such a large amount of money on housing, then it is only logical and fair to make this money available to those most in need, including low and middle income families who cannot afford to own a home and people who live in depressed areas, such as the Atlantic provinces and the northern regions of all provinces and the two territories.

According to 1971 census data, 53 per cent of Canadian households own their dwellings. As pointed out earlier, however, four out of five households with affordability problems are renters; therefore, the tax credit benefits those households that do not have a major affordability problem. Is this a fair allocation of money, Mr. Speaker? Most people would agree that it is not.

My colleagues have already mentioned that the mortgage interest tax credit is unlikely to increase home ownership possibilities, and in fact may prove to be a deterrent due to increasingly high housing prices and interest rates.

The Conservative government has a moral responsibility and an obligation to ensure that its policies benefit Canada and the Canadian people. Bill C-20 will not benefit the majority of Canadians. In these times of economic hardship, the effects of which are most severe in certain regions, certainly my own region, and which hit poor and middle income Canadians