

Housing

Mr. Skelly: Mr. Speaker, would the hon. member entertain a question?

Mr. Hawkes: Mr. Speaker, I will just proceed. It is so seldom that the hon. member is in the House that I am not used to his voice and I cannot quite understand what he is saying.

I was talking about indirect taxes and the burden placed on Canadian home owners from those indirect taxes. I pointed out that those taxes have risen under the present Minister of Finance, from \$10 billion to \$20 billion, and the NDP put him in. What does that mean? It means that indirect taxes, those are the taxes a person pays out of his take-home pay, have risen since the change in government in 1980 more than \$100 per month per household on average. Whether you are rich or poor—

• (2100)

An hon. Member: It is those guys.

Mr. Hawkes: It is not those guys, it is the New Democratic Party which decided that the hon. member for Vegreville (Mr. Mazankowski) was no good in transport and we should have the present Minister of Transport (Mr. Pepin). The Liberal Party west made that trade. That is worse than a Toronto Blue Jay trade.

That extra \$100 a month, Mr. Speaker, in indirect taxes coming out of your take-home pay, when added to the extra \$408 a month because of high interest rates, comes to \$508 a month which Canadians are paying extra. What are they getting for it? They are still in the same house, still driving the same car, using the same heater in their home. They get nothing extra for that, except for the privilege of paying taxes to the Liberal and New Democratic parties. They have the privilege of paying all that extra money to advance causes which are designed not to help Canadians, Mr. Speaker, but to bamboozle them. A \$100 million for advertising. How much better would this country be if that money were given to Canadians to reduce their monthly mortgage payments!

One of the purposes of the December, 1979 budget was to reduce federal borrowing. Of what significance is that to Canadians? Well, when this government was elected, 19 cents out of every tax dollar went to pay interest on the public debt. This morning we discovered that two short years later 23 cents out of every tax dollar collected goes to pay interest on the public debt. An increase of almost 20 per cent, Mr. Speaker. That is what public debt is all about. It is spending money today so that your children and your grandchildren can pay for it. I looked at those figures this morning, and I found that interest on the public debt is getting very close to the sum total of all indirect taxes taken from Canadians in a year. It amounts to \$200 per month per household to pay interest on the public debt. Instead of paying that against a mortgage, Canadians are forced to pay that to the bankers in Switzerland, in New York and Canada simply to pay interest on the public debt.

Now, Mr. Speaker, in case some of the Liberal backbenchers or some of the NDP think that is a good thing, there is something else to remember. There is a limited amount of money in the world and it is sold to people at a kind of auction based on interest rates. Every Canadian who has to go out and borrow money to buy a home or expand a small business has to go into that auction market and compete for the money. They can go and say, "If you will loan me that money, I will give you 16 per cent". But in the auction market somebody else says, "I will give you 16½". Someone else says, "I will give you 17", or it could be 17½, 18, 18½ or 19 per cent. Then the bidding stops and you get the money for 19 per cent. And if you get that today, you are lucky. Well, do you know who was bidding against you? The federal government. They were out there trying to borrow the same money you are trying to borrow for your home. And they, through that auction market, are driving up the cost of money.

Now, here we have a piece of legislation which will affect very few Canadians but which bears a title that suggests it is a panacea, the help that Canadians need. It says, focus your eye on it, the government is doing something. They have already spent an unknown amount of money advertising this program before Parliament even dealt with it. They drew the attention of Canadians to the fact that this piece of legislation was here, and said it would help. But each day that advertising campaign was going on, each day we stand here and debate the bill, that same government is out there borrowing money and driving up interest rates, thereby causing Canadians to pay a higher amount of money to borrow than would be true had we had a government in the last decade with any sense of fiscal responsibility.

Mr. Speaker, if we were not today paying 23 cents out of every tax dollar to pay interest on borrowed money, we could increase by 50 per cent the amount of money we spend on hospital care, social services and old age pensions, all of which touch the hearts of most of the members who sit in this chamber. It is help to those who need it most. But instead we send money off to the bankers in other parts of the world, 23 cents out of every dollar, \$16.5 billion in total.

Last fall this government asked Canadians to buy Canada savings bonds at 19½ per cent. The minute they did that, Mr. Speaker, people had to pay 20, 20.5, 21 or 22 per cent to borrow money on a mortgage. The government was out there trying to get it at 19½ per cent, but if it is for your home, you have to go higher. And here we sit in this chamber tonight addressing ourselves to legislation which has been advertised with your tax dollars to distract your attention away from the fact that the primary reason that Canadians are losing sleep worrying about losing their homes, or in fact losing their homes, is this government's policies. Canadians are worried about what is going to happen in the next three or four months when their mortgages come up for renewal. Their health is suffering, the tension is there, but the advertising says: Do not worry, we will bail you out. The legislation gives the lie to that ad, but in the meantime Canadians are not supposed to