

the cost of the services through municipal taxes. In Quebec the situation is that in almost every instance municipal taxes are double, or more, what they are elsewhere, but mortgages are less.

If the government really wants to be fair about this, I suggest a method that would be fair would be to allow, without specifying one province but simply specifying those areas in Canada where that type of municipal financing exists, the mortgage tax credit for municipal taxes up to \$500 instead of \$250, maintaining at the same time the present maximum of \$1,500.

**The Chairman:** Order, please. The hon. member is actually putting forward a proposal which is not related in any way to the amendment before us. The hon. member made a speech on second reading. I have been very lenient, but the hon. member has not said a word about the amendment now before us, which proposes to limit the effect in time of the bill before us. The hon. member must understand that if I let him continue in this way it would be impossible for the committee to progress, and that would be quite unfair to other members. We have an amendment before us and I would hope that the hon. member will relate his remarks, at least to some extent, to that amendment.

**Mr. Watson:** Thank you, Mr. Chairman. I was taking advantage of the fact that the Prime Minister was present. I wanted to put that message across to him. I hope the government will have an opportunity to reflect on it in the next few hours, as I feel it would make the bill more equitable.

**An hon. Member:** Why don't you spend the money on sewers?

**Mr. Watson:** Let me return to clause 1 of the bill, Mr. Chairman, and I will refer to it in a general way. Many of our senior citizens are being forced from their homes by skyrocketing municipal taxes and do not have sufficient income to be paying income taxes and, therefore, are ineligible for the benefits offered by Bill C-20.

What does the present government want to do? Does it want to force older people out of their homes into senior citizens' homes built at public expense? Is this an adequate conception of social consciousness and fiscal responsibility? Does this make sense?

I voted against the bill on second reading because I believe it to be fiscally irresponsible, particularly when we compare the eventual \$3 billion cost of this program in the fourth year with the total cost of CMHC programs in 1978, I believe some \$600 million. Many of those programs covered with that \$600 million were unfortunately phased out at the beginning of this year by the previous government in the name of fiscal responsibility and, in my view, in a mistaken concession to provincial requests to vacate the urban affairs field.

I would ask the government to think for a moment of the wide variety of programs that were providing benefits through the use of this reasonable amount of money, as compared with

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what is being proposed under this bill. Those programs ranged from 25 per cent of the cost of sewage disposal and storm sewers, to the Neighbourhood Improvement Program and many subsidy and grant programs. Somebody over on that side was making fun of this idea of assisting in the cost of sewage disposal plants, but if he were to ask the municipal manager of any town, the town council, or the mayor, about what they thought about this program, I think he would get a different kind of reaction than that expressed by members opposite.

This \$600 million included programs such as the Neighbourhood Improvement Program, rental subsidies, subsidies for low and medium-income families and senior citizens. All of these subsidies, grants and initiatives, including CMHC direct loan and loan guarantee programs, cost the taxpayers a total of \$600 million a year.

[*Translation*]

With that amount, we were able to fund a series of programs, for example, the New Communities program, the Land Assembly program, the Assisted Home Ownership program, the Non-Profit Housing Corporations Assistance program, the Co-operative Housing Assistance program, the Neighbourhood Improvement program, the Residential Rehabilitation program, including restoration assistance, buyer protection. There was a whole series of programs available to municipalities, benefits—

● (2200)

[*English*]

**The Chairman:** Order, please. It being ten o'clock, it is my duty to rise, report progress, and request leave to consider the bill at the next sitting of the House. Is that agreed?

**Some hon. Members:** Agreed.

Progress reported.

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## PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 40 deemed to have been moved.

### AIR TRANSPORT—PROPOSED SALE OF NORDAIR— CONSIDERATION OF BID OF EASTERN PROVINCIAL AIRWAYS

**Mr. Howard Crosby (Halifax West):** Mr. Speaker, on December 5, 1979, I asked the Minister of Transport (Mr. Mazankowski) in this House whether the proposal of Eastern Provincial Airways to take over Nordair was under consideration and when a decision would be made. In response the minister confirmed that the disposal of Nordair was being