

*Mortgage Tax Credit*

● (2050)

Mortgage relief schemes will continue to be attacked by bureaucrats, economists and upper middle class trendies.

That is what we hear.

**Some hon. Members:** Oh, oh!

**Mr. Crosbie:** That is what we hear. That is the opposition to this scheme—economists, bureaucrats, socialists, and middle class trendies.

**An hon. Member:** What do you think about it?

**Mr. Crosbie:** Oh, it is getting to them! This is my last quotation from this article, and I have never found an article I have more enjoyed quoting from.

**Mr. Blenkarn:** Particularly since it was written by a Liberal.

**An hon. Member:** Speak up, Dumbo, in the back seat over there.

**Mr. Crosbie:** That's a middle class Dumbo. I hesitate to interrupt hon. gentlemen opposite, but listen to this final quotation.

Until now all major housing programs have supported suburban houses and ignored city houses. The mortgage relief scheme will be the first major proposal to help city housing compete with suburban housing.

That is why the members from metropolitan Toronto who are thinking clearly and are sitting over here support this. That is why the members from metropolitan Winnipeg support it, and those from metropolitan St. John's and Halifax and Saint John, New Brunswick and Fredericton and Vancouver, Victoria and Saskatoon, Regina and Edmonton and Calgary, support it. It is because for the first time the people who live in the cities and the metropolitan areas are going to be considered by a government with respect to their housing, the people who have been paying for it all, the people who paid for it down through the glorious halcyon years while the honourable wastrels opposite spent it all on their various schemes and forgot the people who were paying for it. That's why this proposal is going to get support from our side of the House, and any of those who wish to come back to this chamber from the other side had better support it also—that's my advice to them.

What else can I say, Mr. Speaker? Oh yes, the property tax credit. Why is the property tax credit a flat rate? Every home owner in Canada, every person who owns a home, whether he pays a cent in municipal property tax or not—and most of them, unfortunately, have to pay municipal property taxes—is going to get a tax credit of \$62.50 starting this year, up to \$250. The reason is that in every province they have different schemes for municipal taxation. There was no way to figure out a plan under which you could deduct the actual municipal taxes paid, and be fair.

For example, in some provinces like Quebec, I believe the price of water, sewers and services is paid for by local improvement rates over a period of years, while in other provinces such

[Mr. Crosbie.]

as Ontario and Newfoundland you pay for the cost of the water, sewage, sidewalks and services at the time you pay for the lot. So you have a different effect by giving relief to property taxes paid in Quebec as compared to taxes paid in Ontario and Newfoundland. In most provinces there is a kind of municipal tax credit scheme engendered by the provincial government, so you have areas where there would be a gross credit and areas where there would be a net credit, and in no area could we figure out any deduction scheme or tax credit scheme through the federal government which would suit all the ten provinces. So it's a flat rate. The good, the bad and the indifferent would all get this flat rate no matter what taxes they pay. Even some home owners in Newfoundland who don't pay municipal property tax are going to get this tax credit. Do you hear me down there?

**Some hon. Members:** Oh, oh!

**Mr. Crosbie:** Many householders down there do not live in municipalities. And if they live in municipalities that don't have a property tax, they are going to get \$62.50 allowance for their property tax this year and \$112 next year, and up to \$250 in the fourth year of this plan, to help them meet the general cost of living and the other higher costs they face in Newfoundland and in other parts of the country. Whether you pay \$1,000 in municipal taxes or \$500, or \$200, or \$100, you will be entitled in the fourth year to a \$250 tax credit. That is a great improvement over the scheme our leader announced in September of 1978. It is hard to improve on what our leader announces, but in this particular case it is an improvement in that particular.

**An hon. Member:** In Newfoundland they didn't believe you.

**Mr. Crosbie:** They must have believed me or I wouldn't be here. By the way, in case hon. gentlemen opposite have never seen one, this is a tax return.

**Some hon. Members:** Oh, oh!

**Mr. Crosbie:** A lot of you never bothered to fill these out.

This is a tax return, and those who are eligible for this scheme will see a line "Taxable income—federal tax payable". And they will be able to deduct. Suppose the federal tax payable is \$5,000. If they paid \$5,000 mortgage interest this year they are going to be able to deduct from that. Suppose it shows they have to pay \$5,000. They are going to be able to deduct \$375 from it. When you make out that form and you see you owe the federal government \$5,000, you are jumping with rage, and then you look down here and it says "Federal mortgage interest property tax credit", and you deduct \$375. That is going to calm your rage a bit. That is \$375 you would not have had but for this scheme. But in 1982, when you do it and you see \$5,000 in taxes and you look down to see what you can deduct, you are going to practically collapse with relief. You are going to get \$1,500 relief if you are a home owner who pays the federal government \$5,000 in taxes and you are paying \$5,000 in mortgage interest and municipal taxes and all the rest of it. So this is not a nothing, as the hon. member