

### *Mortgage Tax Credit*

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.

In other words, if you own a house, whether or not you pay taxes and whether or not you have a mortgage, at the end of the fourth year you are going to get a gift of \$250 every year and pay absolutely nothing for the privilege of getting it—except high taxes in other forms, reduced programs in other forms, and a higher rate of inflation.

**Mr. Friesen:** What about the child tax credit?

**Mr. Evans:** I notice that the hon. member for Broadview-Greenwood (Mr. Rae) of the NDP stated this afternoon that the Tory policy has something for some and that the Liberal alternative has nothing for anybody. All I can say to the hon. member for Broadview-Greenwood is that this shows how little he knows about economic reality.

I mentioned earlier that I have problems with several features of the bill. I said that it was inequitable and I mentioned my problems in that area. I then went on to discuss the fact that it is inefficient as it is drafted, and it is unnecessary in that Canadians are well housed.

**An hon. Member:** Like the new government—inefficient.

**Mr. Evans:** The next point I should like to make is very important in light of the priority this government has placed on fiscal restraint and fiscal responsibility. With the fiscal situation we have today, Mr. Speaker, this bill is unaffordable. Even if the government could resolve all the problems I have mentioned with regard to equity, with regard to efficiency and with regard to necessity, then it would still be the case that Canada simply cannot afford a bill of this magnitude at this time.

This program will cost the federal treasury \$2.5 to \$3 billion, and probably much more when it is fully in effect. The minister knows we cannot afford it. He knew it before, he knew it during, and he knows it now, after the election.

This bill makes the government commitment to restraint a total and utter sham. The only party that was committed to restraint—and I refer you back to the election campaign—was the Liberal party.

**Some hon. Members:** Hear, hear!

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

**Mr. Evans:** The hon. gentlemen laugh, Mr. Speaker. If they go back to the record they will see that I am correct. We did not make the promises; they made the promises and the NDP made promises, but the Liberals did not make promises. We told the people the facts. We made no election promises.

**An hon. Member:** What?

**Mr. Evans:** The government knew we could not afford this particular proposal, but they made the promises anyway, and now they are choking on them. The people of Canada are the

[Mr. Evans.]

ones who will pay for the proposal. It will only be until the next election, and then it will be the party in government now that will pay for this election promise.

● (2010)

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

**Mr. Evans:** Hon. members laugh, Mr. Speaker, but the writing was put on the wall last night in Newfoundland. It was put on the wall last night in Saskatchewan.

**An hon. Member:** They are not laughing now.

**Mr. Evans:** The people of Canada are looking at this government and saying it is a non-government, that it is non-leadership, that it is mismanagement. Already it is six months of mismanagement. There has been no management. That is why it is mismanagement.

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

**Mr. Evans:** This is not going to be tolerated much longer.

**An hon. Member:** You will be sorry if there is an election.

**Mr. Evans:** At this point I would like to try to evaluate in a careful way exactly what this program represents. At this point in time it represents a 20 per cent to 25 per cent increase in the estimated federal tax expenditures—

**An hon. Member:** You are out of your mind.

**Mr. Evans:**—and it permanently reduces the fiscal flexibility of this government.

This is a structural change to the tax system. This has been shown in the United States where they have had the program, as your minister admits, for a long time. It is shown in the United States to be irreversible once instituted. If it were a housing program, and I hold that it is not, a structural program would remain inappropriate at this time since the housing and construction problems are basically cyclical in nature. They are cyclical problems. They are not structural long-term problems. And structural changes to the tax system are simply not appropriate to address cyclical problems.

There will be many structural effects from this proposal. As a result of this program most likely there will be a reduction or an elimination of certain provincial housing programs that are now in existence.

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

**Mr. Evans:** There are housing programs in Saskatchewan, British Columbia and Ontario. What is to stop these governments from removing their programs as they have done with medicare—

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

**Mr. Evans:**—and removing their programs and depending on—

**An hon. Member:** You are a socialist.