

### *Mortgage Tax Credit*

family allowances budget. On this matter, I must say to the government that it would be compounding injustice to take the funds from there. The hon. Minister of Finance will present his budget only in December and we shall not know until then where the money will come from. One thing I know for sure is that eventually someone will have to foot the bill and there is no doubt in my mind, Mr. Chairman, that it will be the vast majority of Canadians who will not even benefit from that tax credit who will have to pay the bill through a direct or disguised income tax increase. I imagine that that concealed tax, Mr. Chairman, will be a 30 per cent excise tax on gas which the government is ready to levy on all Canadian drivers.

To briefly put it, I blame the government for introducing this draft without an in-depth study and a thorough consideration of the matter. This is easy to realize when we look at the fact that the people who have rather high mortgages and pay over \$1,500 in income tax to the federal government are those who will benefit from the bill. This measure which I feel is quite exceptional confirms what I said before, that the government wishes to increase disparities among Canadian citizens.

With this new tax credit, the government is not increasing the number of potential claimants, at least not more than under the previous plan for tax deductions. Renters are entirely excluded from the scheme which is too bad, because they are first-class citizens; they are as Canadian as the home owners and they are entitled in the same degree to the services of the federal government.

As usual, Ontario is the winner at the expense of Quebec because the number of home owners with mortgages high enough to be eligible for that tax credit is 20 per cent higher in Ontario than in Quebec. To thwart those unfair measures at the national level as well as the individual level, I suggest to the government it should reassess the matter and remove those disparities. I therefore advocate a policy designed to rationalize Canadian housing through considerable assistance to home ownership. In closing, Mr. Chairman, I reaffirm that I am not averse to the idea of a program that would facilitate home ownership and as a result would stimulate the building industry, and I hope the government will benefit from the constructive remarks of my colleagues. I also hope that the government has fully analysed the financial situation of the country and I look forward to the day when it can tell us how we will pay for that luxury without, however, increasing the national debt.

● (1550)

[English]

**Mr. de Jong:** Mr. Chairman, I too would like to rise in opposition to the proposals in front of us. There is no doubt that there is a tremendous need for action in the field of housing in our country today. The difficulties faced by a vast number of people in the "middle class" and in the lower income group in meeting their monthly mortgage payments is

[Mr. Veillette.]

making it increasingly difficult for people to own their homes and to live with any degree of security.

All members of the House are committed to the notion that families should be able to enjoy a secure home which will provide warmth and shelter in the years ahead without that simple basic necessity becoming a major economic problem in their lives. Indeed, I think the government recognized the need for action in the field of housing. I think that the record of the former government in that respect was a dismal one. There were cutbacks in all sorts of housing programs in the last few years that had a detrimental effect on the provisions of adequate housing for Canadians. Under the Liberal government we had high interest rates, which I think was the reason for which the Tory policymakers introduced the mortgage tax deductibility scheme during the last election campaign.

Tory candidates were going around the country saying to new home owners: "Look at the difficulties you are having in securing a home under this Liberal government; elect us and we will do something about it". As I hear Liberal members of the House make grandiose proposals for housing, I cannot help but smile and wonder where they were seven or eight months ago. In fact, their heart was in a much different place than it is today. It is amazing how such a switch of the heart and of the mind can take place in such a short period of time.

There were cutbacks in housing while the Liberals were in government, but now in opposition they have become progressive. It is quite a conversion. Of course, such a conversion is not restricted to the Liberal party. We have seen a similar conversion taking place among members of the Conservative party. They were criticizing high interest rates when they were in opposition and promising to do something about it, but in fact they continued down the same road with this insanity until now when the home owners are facing interest rates which are anywhere from 14 per cent to 15 per cent.

The number of defaults that are occurring across the country is alarming, there is no doubt about it. Many Canadian home owners are facing a period of crisis in attempting to maintain their homes and to hold on to what they have invested in their homes and what they paid in down payments to secure a shelter and a roof over their heads. But is this measure before us going to help? I am afraid it is not. It is not a housing program.

Had the government decided to move \$500 million into CMHC or had it decided that in four years' time they would drop another \$2.2 billion directly into housing in this country, we might have had a housing program. If the government decided to use \$500 million to secure urban land, bringing down the cost of urban land in this country, then we might have the beginning of a housing program. If they decided to use the \$2.2 billion which they will be spending four years from now in building co-op and low income housing, then indeed we might have a housing program. As it is, we do not have one. We have vast sums of money invested in a program which will slide through the hands of consumers and home owners into the pockets of the banks and developing companies like a piece of fat passes through a goose.