

*The Budget—Mr. Domm*

people in the ridings across Canada, both in the business and agricultural community, and home owners in particular, think about this budget and how it will affect them.

The government has spent a lot of time talking about restraint. In reality, it will be spending \$13.1 billion more than it takes in. The people across Canada have reached the conclusion that for the government to have acquired over a period of a decade or more a debt of some hundred billion dollars with an interest payment to exceed \$10 billion annually shows that it knows very little and practises absolutely nothing about restraint.

Another point made today regards the equity that appears in this new finance document known as our current budget. This budget is a bit of a sham. There is a lot of cover-up. People are beginning to realize that the higher income groups across Canada—and there are a lot of them as was stated by the Leader of the New Democratic Party (Mr. Broadbent) in his speech earlier—are the ones who will benefit from this budget. A lot of people in Canada earn \$100,000 a year or more.

What is being done with that group of high-income people? Has the government taken from the rich and given to the poor? It has taken the 64 per cent tax rate of that group and lowered it. It has reduced the tax levied on high income people across this nation. The maximum personal tax that can be charged to that group has been set at 50 per cent.

It must be very difficult for a lot of Liberal Members of Parliament to return home and convince their constituents that this government has taken anything away from the rich. What it has done is to reduce their tax rate from 64 to 50 per cent.

Let us look at the fairness of this budget. A lot of deception can be read into the remarks by the Minister of Finance. This budget clearly and factually increases government revenues by 31 per cent while at the same time it will allow the government to continue to spend 22 per cent more than it did last year. It will be very clear to the people of Canada that the government is up to its old tricks. It is taking figures, juggling them, taking a little away here and a little away there. In reality, it very strongly favours the rich. I do not see much of a penalty imposed on the banks for the interest rates they derive or on high-income people who have had their tax rate reduced from 64 per cent to 50 per cent.

Let us look at what is in this budget for people in dire straits, those who were building up their hopes and expectations that the government was finally going to listen and implement a policy that would mean less of a financial burden in the coming year. What has been done for this group, namely, the home owners, small-business men and farmers?

First I want to deal with the home owners. I can speak with a reasonable amount of exposure to home owners, having been a real estate agent for a number of years. There is no doubt in my mind that the vast majority of Canadians who have scrimped, saved and invested in order to own a piece of Canada are in great jeopardy of losing that. It is not sufficient to tell those people that the government intends to address seriously the problem of high interest rates. This budget does

nothing more than subsidize the interest payments of a few hundred Canadians in some of the larger metropolitan areas in order that they will not have to spend more than 30 per cent of their gross income on interest payments for a mortgage.

There is a specific case in the constituency of Peterborough which has created a great deal of anxiety and concern for a home owner. The gentleman has allowed me to read into the record his specific situation. It clearly shows that what the government is offering home owners today is nothing new.

CMHC has followed the policy of advancing part of interest payments to home owners to tide them over a difficult financial period. I wish to refer to a specific case in my constituency.

In 1976, Mr. Tippet, a resident of R.R.2, Warsaw, took out a CMHC mortgage for \$32,294. He required some assistance from the government in order to buy a home. CMHC arranged for AHOP assistance, assisted home ownership made easy. They advanced \$3,200 to him since 1976 in order that he could reduce his payments.

The interest rate when the mortgage was renewed as recently as three years ago was 11¼ per cent. That is the interest figure I will use. It was lower than that in 1976. He has now added \$3,200 to the original \$32,294 mortgage and now owes \$34,979. CMHC took a second mortgage for the \$3,200. Mr. Tippet has to pay \$342 a month. He went along with this plan from 1976 to 1981. They told him that the time has come for him to pay back the \$3,200. They told him that they would like interest at the rate of 19½ per cent. I realize we are approaching six o'clock. I will complete my story later. We are now up to \$34,979.

[Translation]

**The Acting Speaker (Mr. Ethier):** Order, please. It being six o'clock, I do now leave the chair until eight o'clock this evening.

At 6 p.m. the House took recess.

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**AFTER RECESS**

The House resumed at 8 p.m.

**Mr. Deputy Speaker:** Order, please. When the House rose at six o'clock, the hon. member for Peterborough (Mr. Domm) had the floor.

**Mr. Domm:** Mr. Speaker, since Mr. Tippet's payments are now up to \$566 a month on his mortgage payments, and they exceed 30 per cent of his income, he will be eligible for an interest loan on which there shall be interest charged to this new third mortgage, remembering that he has a first mortgage with CMHC, a second mortgage with AHOP, the assistant home ownership made easy, and now he is eligible under this new budget program for a third mortgage of \$3,000.