

*Mortgage Tax Credit*

Mr. Speaker, I would like to remind the minister and the government that since they have been in power they have passed or have intended passing legislation that will crush lower income citizens, such as the increase in heating oil and gasoline prices, the increase in interest rates for consumer loans, the cuts and the elimination of Canada Works projects, and Bill C-20, which completely ignores lower income citizens. I would like to remind this government that there are more than seven million citizens whose income is below \$10,000 a year, 1.5 million people who depend on social welfare and receive only \$62 to \$75 a week, 1.6 million senior citizens whose only income is old age security pensions and the guaranteed income supplement, as well as 743,000 unemployed, and that all these citizens have pressing housing needs.

In closing, Mr. Speaker, I hope that this government will consider lower income citizens and that the Minister of Finance (Mr. Crosbie) will put a stop to his buffoonery and replace his bill by a true housing policy which will take into account the needs of low income home owners and tenants.

[*English*]

**Mr. Don Blenkarn (Mississauga South):** Mr. Speaker, the hon. member who just finished, the hon. member for Saint-marie (Mr. Malépart), asked a number of questions about property tax relief for tenants, and I will be speaking about that in a few moments. I think he confused the tax credit scheme with a scheme in connection with deductibility from tax. I think it is important that he understand that this is a tax credit scheme, and the rate of tax you pay does not really matter. You get the same credit. Clearly, you have to be a positive taxpayer to receive benefit, but as long as you are a positive federal taxpayer and you are paying mortgage interest, the rich man receives the same benefit as the poor man in relative terms. This is not a scheme to assist people on welfare, people on low incomes, or senior citizens. The hon. member spoke about that. We have to develop other schemes for those people, and I want to speak about that tonight.

The lead speaker for the Liberal party, the hon. member for Winnipeg-Fort Garry (Mr. Axworthy), ranted and raved yesterday. This morning I decided I should read some of that gibberish, and I found that he said nothing, largely because he failed to realize, as does the entire opposition, the concept of this program. This program attempts to come to grips with some of the problems which have developed in housing over the past six or seven years. Some of those problems have to do with high interest rates. This program comes to grips with that problem by giving to home owners relief, as the hon. member for Guelph (Mr. Fish) indicated, of between 2 per cent and 3 per cent against the interest factor on their mortgages.

We have been asked, both in the finance committee and in this House, what we are going to do about people who have mortgages to pay. What kind of relief are we going to give them in terms of interest? Unfortunately, on this terrible market—temporarily I hope—they may have to pay perhaps 14.5 per cent on a first mortgage. This program is one which gives them 2 per cent to 3 per cent relief, when it is fully in

[Mr. Malépart.]

place, against that enormous interest cost. That is a very important consideration which all members of the House should appreciate.

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There is a problem in housing in this country because of some very foolish stimulative building programs conducted by the former government. I speak of the assistance program which allowed housing to be built with 95 per cent and almost 110 per cent mortgage financing under AHOP and other programs. In the city of Mississauga which I represent, it created situations where builders have just turned back condominium projects holus-bolus to the Canada Mortgage and Housing Corporation and said, "Here you are. You own them. They are empty". The problem the other side fails to recognize is that there is vacant housing because people cannot afford to buy that housing. They cannot afford to buy it because it costs more to be an owner than a tenant in this country. I will be speaking about that later as I go through this whole matter.

I thought we should come to the various objections to this bill. The bill attempts to develop some equity and to allow young people, particularly young people who want to raise families, to become part of Canada, to become owners, to have a place to stand. They want the right to own their own homes and have backyards for their kids. There are a lot of people who have paid for their houses. Other than the tax credit scheme in terms of municipal taxes, this bill does nothing for them at all. It gives them something toward municipal taxes. I will speak about that later.

Let us talk about mortgage interest. It is for the young people who have grown up, those who want to go out and buy their first or second house. It is those people who want to raise their families. Their first house is too small, so they need another one, a larger one. They need some relief so that they, like their parents before them, can realize the dream of Canada, the dream of owning one's own home, being part of Canada and having a place to stand in the country.

They say that it does nothing for people who own their homes outright. It does not earn too much for them on mortgage interest, because they own their own homes and do not have to worry about going out and borrowing mortgage money at the extortionate rates of interest developed by the tremendously stupid economic policies of the former government. They do not receive any help, so let us talk about renters.

They say that renters do not receive any help. They say there is no relief for tenants, so it is inequitable. Let us talk about tenants for a moment. The other day I received a wonderful brochure from Headway Investments Inc. Headway was introducing its new Guildford-Concordia partnership organized under the MURBs plan. The MURBs plan produced a housing program. It was introduced by the Liberal government which was defeated just a short while ago. Let us go through some of the various wonderful examples which Headway Inc. indicated that it could do for a person under MURBs. They set out a table in their form. They clearly