

**Mr. Saltsman:** I suggest that although this qualification may have been valid in a frontier society—and I suspect it was not valid even then—it has no place in a modern society. The tax system, which undoubtedly confers a bonus on the home owner, is inequitable. This means that one group is more favourably treated than another. I do not think any member of this House would say that a person who owns a home or owns property is more worthy of consideration or is a better citizen than the person who rents or does not own property. Although we do not make such distinctions, our tax system makes them; and if we were to accept the hon. member's motion the situation would be even worse. As I said before, it would create serious distortions in the housing market and throw the burden on people who are not home owners.

Members of this House often suggest that the government should abolish the sales tax on building materials. Although getting rid of the sales tax may be highly desirable, I wish people who make that suggestion would say how the government is to make up the lost revenue. Compared with the losses which would be sustained if we paid this bonus to home owners, the loss occasioned by abolishing the sales tax on building materials would be modest. I notice that nobody has told us how much the proposal would cost. Figures have not been given. If you are to provide a bonus to home owners, you must obtain the lost taxes from some other source. If you suggest that we should get them, or part of them, from corporations I would listen sympathetically. Yet corporations are not a bottomless pit. So those who advocate changes in our tax system which confer benefits on one class of persons and not on another must tell us from where the money to make up lost taxes is to come and how we are to make up the difference.

I can understand why my friends in the Social Credit party support this proposal. According to Social Credit theory, the Bank of Canada should make interest-free loans available to our municipalities. Although I disagree with their theory, I at least understand why they are bringing forward this proposal. It looks good in theory. I am only surprised that the Conservative Party has backed it. I think it owes a debt of gratitude to the Social Credit party.

As I said earlier, this kind of bonus would create new class conflicts. At one time, virtually everyone who lived in the city was an actual or prospective home owner. Today that situation has changed markedly, 50 per cent of our people owning property and 50 per cent living in rented accommodation. For a variety of reasons, such as that some people cannot afford the price of a home or cannot afford to maintain a home, although that is not so important, housing today is beyond the reach of the majority of people. Many people in this country do not want to be home owners. Their life style is such that they prefer being free to change their accommodation. They do not want to be tied to a home. They do not think that living in a single family home is the preferred way of living.

That being so, why should parliament say, "We think that is the preferred way of living. We think there is some virtue in home ownership and we will confer extra benefits on the home owner"? If we said that, we would be

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grossly unfair to the poor and to newcomers who are trying to become established. In some ways we would be acting like the people who form neighbourhood groups because they want to preserve their areas. I can understand their thinking. Too often they are motivated by nothing but self-interest. They do not care about other people who want to come to the city. Their attitude is, "This is my place; I have a special preserve here and I intend to keep it". The fact that some people are coming to the city from Nova Scotia, Newfoundland and Manitoba does not concern them in the least. They say, "If as a consequence of my actions house prices across the city rise, so be it. I don't care as long as my own property is preserved".

Looking back, I can recall that I wanted to become a socialist partly because of my distaste for people who place fantastic emphasis on property as opposed to people. Some think property is far more important than people. They do not care what happens to human beings so long as they preserve their property. It has been said that this great attachment to land, this great attachment to property is the root of virtually all human selfishness. Any law which increases selfishness is not a good law.

I want to illustrate how we subsidize home ownership, how we give benefits to those who own property. An investment in property will bring greater returns than almost any other investment in our society. I shall mention a hypothetical case, but it could well be true. Let us assume that an individual wants to invest \$30,000. He can put it into Canada Savings Bonds, into a trust company, or buy a piece of property—assuming he can buy property for \$30,000. I think \$40,000 is nearer the mark. The figures really do not matter; they are merely used for illustrating my theme.

Let us assume that an individual buys a piece of property in a rural or small community. Its carrying charges would not exceed \$100 a month. That is, \$100 per month would cover his taxes, heating and some repairs. Therefore, he can live in that house for \$100 per month. He can also expect, if present conditions continue—and I do not see why they will not—his home to appreciate by at least \$1,200 per year. I know of few homes which have appreciated less. That appreciation is the equivalent of a capital gain on which the owner pays no tax. This means that the individual has invested \$30,000 and has provided himself with rent-free accommodation. He pays absolutely nothing for rent in the time he lives in the house. I know there are complicating factors; He may not have the money to put down. The point is, whether he borrows the money or puts it all down he is in a position to obtain a capital appreciation. Home ownership is a non-taxable benefit; he therefore receives a considerable benefit.

● (1630)

I will now consider the other man. If he takes his \$30,000 and invests it in Canada Savings Bonds at 8 per cent, or in a trust company, bank investment or even Bell Canada, he gets a return in interest of \$2,400, every cent of which is taxable. If he is in the 30 per cent tax bracket, and you do not have to be earning a great deal of money to be in that bracket, he loses \$800 in taxes. This leaves a net return of \$1,600 on his \$30,000 investment.