

*Mortgage Tax Credit*

children under sixteen, own homes. Given the immense increase in housing costs I alluded to before which are facing home owners, and given the expense involved in raising children, surely hon. members opposite will allow this bill swift passage.

Over 75 per cent of the aggregate mortgage debt in Canada is held by families with children. These are the people who are feeling the burden of high housing and housing related costs. Surely it is time that we in this House realized the great contribution made by working class and middle income Canadians. These people deserve to have a break for once. They should be encouraged to own their own homes. To deny this would be a terrible error of judgment, and so I implore all hon. members of this House to pass this legislation quickly.

**Mr. Kaplan:** A point of order, Mr. Speaker. Would the hon. member permit a question?

**Mr. Fish:** Certainly.

**Mr. Kaplan:** I wonder if the hon. member is one of those Ontario members who is dissatisfied with the high interest rate policies of this government and if he specifically objected to them?

**Mr. Crosbie:** We are all dissatisfied with them.

**Mr. Fish:** Mr. Speaker, I have been in real estate appraising and consulting for 25 years. I realize the effect that high interest rates have on the purchase of homes. I should like to try to correct the impression some people have about high interest rates. The effect of this tax credit bill in the first year, if we are talking about an interest rate of 14¾ per cent, means the interest rate will be just below 14 per cent. If mortgage rates are still at 14¾ per cent in the fourth year, the effective interest rate will be 11¾ per cent.

Yesterday the hon. member for Winnipeg-Fort Garry said that it was costing home owners \$1,800 more today to pay off their mortgage. I should like to know what interest rate he was using as a base. I have made the calculation and it could be as low as \$89 per month.

**Mr. Crosbie:** Next question.

**An hon. Member:** Any more questions?

**Mr. John Evans (Ottawa Centre):** Mr. Speaker, all I can say both about the speech and the answer to the question is that there was something terribly "fishy" about the whole thing.

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

**Mr. Evans:** I should like to speak on Bill C-20 as it deals with an area that has been of great interest to me for a long time. I have had a great deal of experience with the mortgage markets and am familiar with the experience the United States government has had in this area. The previous speaker indicated that the United States regarded the package they have as an extremely good one and said that it is very popular there.

[Mr. Fish.]

No one can argue with the fact that taxpayers like tax relief, Mr. Speaker. The question is whether the economy can afford tax relief and whether those who receive it are the people who are primarily in need. Those are the questions that a government has to ask, but this government is certainly not asking them.

My over-all assessment of the plan, which I have carefully considered, is that it is inequitable, it is inefficient, it is unnecessary, it is unaffordable and it is irresponsible, Mr. Speaker.

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

**Mr. Crosbie:** Be fair now, John.

**An hon. Member:** Run away, Mr. Minister.

**Mr. Evans:** I see the Minister of Finance (Mr. Crosbie) scuttling out of the House as fast as he can because he does not want to hear the truth. Mr. Speaker, this plan is a total violation of this government's professed program of restraint and it flies in the face of the clear priorities for the Government of Canada.

I object to the Minister of Finance indicating that, when members on this side of the House speak in opposition to this bill, they are attempting to stand in the way of progress or to be obstructionist. That is not the case at all. We are very concerned, as the government professes to be, about the future fiscal stability of the Government of Canada and where we will be five years from now if we continue with programs and policies that mean an expenditure of \$2.5 to \$3 billion per year. This program cannot be considered a top priority by anyone.

Let me examine the individual points that I raised earlier, Mr. Speaker. With regard to the equity of the program, it has been pointed out by the hon. member for Winnipeg-Fort Garry (Mr. Axworthy) that less than one-third of households will receive the full benefit of it. There is no doubt about that; the facts are clear.

The plan will benefit the higher income people much more than lower income people, since the full benefits accrue only to individuals who have large mortgages. It takes \$5,000 worth of mortgage interest to qualify for full benefits under the plan. If that is the situation, how many low income Canadians have such a mortgage?

**An hon. Member:** A typical Conservative ploy.

● (1650)

**Mr. Evans:** The plan involves substantial regional inequities which were pointed out quite clearly by my colleague, the hon. member for Winnipeg-Fort Garry last night. These are due to the differing patterns of home ownership and mortgage financing which occur across the country. As a result, Canadians in one part of the country who are home owners and who have the same needs as Canadians in another part of the country will receive differing amounts of benefits from this particular plan, resulting in increased home prices. That point has been