

from the new member from Manitoba—Haworthy—Taxworthy—the honourable Taxworthy.

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

**Mr. Crosbie:** He has complained bitterly in this House that we are bringing this scheme forward in light of the fact that mortgage rates have increased. The fact that mortgage rates have increased, does that not make this plan more attractive to the home owners of Canada—not less attractive, but more attractive? Is it not needed more now than it was three or four months ago when interest rates were 2 per cent or 3 per cent less? Is it not true that the higher the interest rates go—and we are going to prevent that if we can, it is an interest rate condition left to us by the government that was the government party, the government opposite, they left this interest rate condition which we are battling to get down, we are going to battle down the interest rates, Mr. Speaker, but if due to this condition left to us interest rates went even higher—would this plan not be more needed? Would that not prove how much more needed it is?

Can anyone understand why, when they are complaining about higher interest rates, they are against this plan to help the Canadian home owner? It is absolutely incredible. It is partisan-blind. It is blind partisanship and nothing else.

Second, remember this, Mr. Speaker, that higher interest rates are a temporary condition as long as we stay in power. It is a temporary condition. If the other group were in power it might be permanent. We are fighting it. It is a temporary condition.

While higher interest rates are a temporary condition, this program, as long as we are in power, is for the long term. We cannot answer for what will happen if the hon. group opposite gets back in again. Yes, they would hara-kiri this program. They would Shanghai it, They would knife it. We know they would do that if they get in, but as long as we are in, this is in. As long as we are here, this is here for the long term, not the short term.

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

**Mr. Crosbie:** What more can I say, Mr. Speaker?

**Mr. Whelan:** Say something pretty soon.

**Mr. Crosbie:** It is funny how we hear the hon. turkeys gargle once they get on the other side of the House.

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

**Mr. Crosbie:** I explained that the interest that qualifies is the interest you pay to purchase a home or to finance an addition or an alteration. We are blocking all attempts to use this bill for improper purposes. This bill is to help you to buy a home. If you renew a mortgage on your present home or if you do not have a mortgage now on your present home, but you go out and get one because you think you are going to get mortgage interest relief, you are not. The Canadian home owner must remember that. If you have a mortgage now of

### *Mortgage Tax Credit*

\$20,000 and you renew it and get a mortgage for \$50,000, you can only deduct the interest on \$20,000. That is how the plan works.

You cannot go out and remortgage your home and get a bigger mortgage and take advantage of this plan. But, if you leave that home, sell your present home, and go out buy another home and, in buying that other home, you get a mortgage of \$50,000, fine, you can deduct all the interest on the new home. You cannot remortgage your home and get mortgage interest relief and go out and use the proceeds to buy a cabin cruiser or whatever the other party might want you to do. It is to help you to acquire a home. Or, if you have a present mortgage, it will help you better meet the costs of that present mortgage. That is why we have made that rule. It is not a general consumer credit interest deduction.

I hope the hon. lady is listening to this. To ensure the greatest degree of flexibility we have provided that a cash credit might be transferred between spouses. Spouses are those who are married one to the other.

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

**Mr. Crosbie:** This is subject, however, to the proviso that a couple will obtain no more in total than an individual home owner. We are thinking of everything, Mr. Speaker. In other words, if you are two spouses, you can only have the same as one. There is only the one deduction, even though you are two spouses. But you can divide it between spouses. The husband can divide it with his wife, and the wife can divide it with her husband if she is the home owner.

We have also restricted the availability of these credits to individuals who own a home in Canada. We are not going to do what the opposition party might have done, and that is to allow you to deduct the interest on a home outside of Canada, for example, in the Bahamas or Panama or wherever people go when they retire. You can only deduct the interest on a home that you own in Canada. It has to be geographically located in Canada. This will ensure that the benefits from these credits go only to Canadian residents.

The credit is restricted to those who are regularly occupying the particular residence. You cannot deduct interest on a second residence. You cannot deduct interest on a summer home, a seasonal home, a recreational home or a rental property. You can only deduct interest on your own main home, the home in which you live with your spouse, or whoever you live with!

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

**Mr. Crosbie:** Your spouse, or your children.

**An hon. Member:** Speak for yourself.

**Mr. Crosbie:** Now we hear the moralists from the NDP perking up.

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