

Mortgage Tax Credit

An hon. Member: Those definitions don't apply.

Mr. McCauley: Certainly not. Why pick ones that do not apply, Mr. Speaker?

Mr. Baker (Nepean-Carleton): On a question of privilege, Mr. Speaker, the hon. member for Moncton (Mr. McCauley) has perhaps not yet learned the rules here. The Minister of Finance (Mr. Crosbie), whom he would call underhanded, a schemer and so on, is not in the House at the moment. Perhaps he might reserve his intemperate remarks about the minister for a period of time when the minister is here to answer.

Mr. McCauley: Mr. Speaker, I would like to correct the hon. member. I did not and do not refer to the Minister of Finance as an underhanded or artful schemer, I referred to the plan. I am not attacking the man, I am attacking the plan, and surely that is acceptable, is it not?

The other thing I am concerned about, as I was saying before I was interrupted, is the regional bias of this—I cannot call it a scheme anymore.

An hon. Member: Plan.

Mr. McCauley: Plan, thank you. It transfers wealth to those areas of the country where mortgage indebtedness and federal taxes paid are quite high. Thus, in Ontario where 35 per cent of families and unattached individuals carry mortgage debt and pay relatively high federal taxes, these are the people who will gain most from the mortgage credit. People in the Atlantic provinces, on the other hand, where only 26.3 per cent of families and unattached individuals carry mortgages, and where federal taxes paid are relatively low, will benefit relatively less from the mortgage credit. Over all, the people in the Atlantic provinces and Quebec will benefit least from these credits, whereas the people in Ontario and in the west will benefit most.

To me, that situation enhances regional disparity at a time in this country when we are having great difficulty in coming to grips with a vision of this country that is bigger than regions and bigger than provinces, at a time when we are dealing with a government that does not see or share that vision, that cannot see that this country is bigger than a collection of provinces. This program or plan will enhance that difficulty. It will make it even more difficult for us to think of this country as a whole. When the people of Atlantic Canada get wind of this regional inequality and disparity that is inherent in the plan, they are going to be very upset and wonder if this government is really the government of all Canadians or is the government of a few Canadians.

I do not believe the people of this country are so selfish or so greedy that they are going to latch on to this plan without realizing that it is discriminatory. I have faith in the Canadian people. I think the Canadian people are decent, altruistic and are ready, if given the leadership, to think of the less fortunate parts of this country and to do something for those less fortunate parts. I believe Canadians are concerned that this bill does nothing for the renters, nothing for those who have been industrious enough to pay off their mortgages, nothing

for the senior citizens and nothing for those who have no income.

I sat in the House the other night and listened to an hon. member opposite talking about the backbone of this country being the hard pressed middle class. I think there are other people who are the backbone of this country, just as much as the hard-pressed middle class. The elderly who put the sweat of their brows into the fabric of this country for years, those people who worked hard in their own small way to contribute to this land that we call Canada, are surely just as much the backbone of this country as any other group. Surely the working poor, the people who are too proud to go on social assistance and are just barely making it day after day, are just as much the backbone of this country as any hard pressed, so-called middle class.

The Prime Minister has suggested that reasonable and responsible amendments to this bill would be welcomed. I believe it needs reasonable and responsible amendments or alternatives because, as it stands, it is a blunt instrument, a sledge hammer, when what we really need is the touch of a surgeon's scalpel. The mortgage tax credit as proposed by the Minister of Finance is inequitable, inefficient and too expensive.

In keeping with the Prime Minister's request, we as a party would like to offer some responsible and positive alternatives that will at the same time be effective and not add to cost.

The proposed tax plan excludes major segments of the Canadian population. Among the excluded are those most in need of immediate assistance to help them cope with the rising cost of shelter. We would propose a national rental assistance program for the elderly and single parent families, and this would help those most urgently in need of relief. As the economy improves, and the government tells us it will, this program could be extended in the government's generosity to all renters in need.

As we all know, and as the previous speaker pointed out, the cost of operating and owning a residence is skyrocketing. The cost of heat and energy will go up and up. Services, maintenance and everything connected with the cost of owning a home is going up, so we would propose in view of that a residential operating cost tax rebate that could be provided for renters and home owners. That kind of program would be progressive, maximum payments being made to the lowest income groups, thereby putting the money where it is most needed.

Let me make another suggestion for the benefit of the government. We all know that deducting interest rates is an attack on the symptom and not the problem. The real problem is putting enough money into the pockets of potential buyers so they can afford to consider buying a home in the first place. Registered home ownership savings programs have been shown to be extremely effective in this regard by helping people save so they can purchase a home. The Liberal party suggests that the government should encourage the extension and expansion of such programs by raising the current limit from \$1,000 a year per person to \$2,000 or \$3,000 a year per person. This