

An hon. Member: Big bully.

Mr. Rae: He talks like a bully, but he acts like Clark Kent. We know what the minister's real intentions are. If the minister wants to have an election on the mortgage tax credit—

An hon. Member: Yes, okay.

Mr. Rae:—if that is what the minister wants to do in the middle of winter and that is his determination, then so be it.

I suggest to the minister that there are more intelligent ways of conducting the affairs of this House. There are more intelligent ways that will be more in tune with what the Canadian people really want.

Mr. Axworthy: There is a premise there.

Mr. Rae: Let me suggest to the minister that there are a number of amendments which he could consider to deal with the problem. They would allow him to provide the kind of break that he wants to provide and which would also meet some of the criticisms of the opposition, and certainly some of the criticism that has come from this party.

The first is that the credit should not be tied to property. The credit should not be tied to the ownership of property. The credit should be tied to the fact that tenants and homeowners alike are strapped by rising property taxes, rising interest rates and rising rents. If there is room for manoeuvre, I would suggest to the minister that that room is a cost of living tax credit, or, if you like, a shelter tax credit, rather than a tax credit that is tied to mortgage payments and the payment of property tax.

Second, it is said that the credit can be made refundable. I would point out to the minister that hundreds of thousands of citizens, particularly senior citizens, will not get the benefit of this credit because they do not pay any tax. If the minister is determined to carry on with the tax credit the way he seems to be, there is no reason why that tax credit cannot be made refundable even if a person pays no tax. Then a person would get that flat rate regardless of whether he pays tax or not. That would be a message, a message that my friend the hon. member for Winnipeg North Centre (Mr. Knowles) has been trying so hard these past days to get out of this government. The message is that yes, this government is prepared to do something for the senior citizens of Canada, that this government is prepared to do something for those people who have no income.

I know the minister very proudly paraded before the House yesterday his statement that, "Well, you want to be quite clear; this does not give anything to people who do not pay tax." I think that is a shame. There are hundreds of thousands of Canadians who do not qualify for this tax credit for the simple and only reason that they do not have any income to declare by April 30, 1980.

I do not think it is beyond the power and imagination of this government, and certainly not beyond the compassion of the hon. member for St. John's West, to think of the people in his

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own riding, my riding and ridings throughout this country where there are senior citizens who need a tax break just as much as anybody else. These people can certainly use the cash and deserve it just as much as anybody else. There is no reason why that cannot be accepted by the Conservative government, and the minister knows it.

Another point the Minister of Finance could consider is: why should the tax credit not become greater as one's income becomes lower? Why does the tax credit have to be a bulk sum which is totally unrelated to income? There is no reason, apart from the fact that the Conservative party appears to be determined to distribute money away from those people who are renters towards those people who are not renters, the home owners.

I am prepared to say today I know that home owners are strapped. I know the home owners in my riding are strapped. There are not too many middle-class trendies in my riding, I can tell the minister that right now. There are not too many middle class crazies either. We are determined to see that the government do not benefit home owners at the expense of those people who do not have the political power and clout. Tenants have less influence locally, provincially and nationally over the affairs of this government than the home owners in HUDAC who are a very powerful lobby.

I do not think it is beyond the imagination and capacity of this government to design a tax relief program that goes to people who rent as well as to people who own homes, if that is what the government wants to do. I think the government could do it if it wanted to, if it was not determined for its own private, ideological reasons to see that a particular lobby got a particular boost at a particular time.

I am trying to be as reasonable as I can in making these suggestions to the government. I have given a number of speeches on this subject in the House. We debated it last year when the Liberals were dying. We certainly discussed it during the election and I discussed it during the byelection in Broadview in 1978. Each time I am always struck by the fact that of course there is a problem. What is the problem? The problem is that housing is too expensive and interest rates are too high. Housing is deteriorating in our inner cities and too many people do not make enough money. That means they are paying too much of their money in rent. Those are the four problems. It is not beyond the genius of this government to devise a policy that does not discriminate between tenants and home owners.

● (1540)

I am sorry but I do not accept the view that this mortgage interest tax credit, as the minister says, will cure the common cold, will provide cheap water and give every young person in Canada a chance to buy a house. It is a fraud. It reminds me of the nineteenth century medicine man who came to the frontier and tried to see sell some kind of elixir. We have crazy rates elixir here, snake oil. It is not going to work. It will not cure the common cold.