

*Mortgage Tax Credit*

and in fact 63 per cent of them have a small home or a small bungalow, it is plain to see that these people often have only the income from their pension. I repeat that 63 per cent live in their own home and these are single-family dwellings, and only 6 per cent of them have mortgages. They would be added to the Canadians who will benefit from this legislation. As a matter of fact, if we take only the present legislation, only 32 per cent of taxpayers could have either the property tax credit or the tax credit in respect of mortgage interest, whereas if we add those who do not have a mortgage and who could deduct a double amount for their municipal taxes, we would add another 29 per cent. Mr. Chairman, this consideration is important, in our opinion, and we hope that the minister will be able to consider the possibility of providing the benefits of this legislation for those Canadians.

Mr. Chairman, in concluding, I shall say that some news-men misinterpreted my position when they mentioned that on November 21, in my speech, I did not seem to share the views of this bill. At that time, I based my assessment of the housing situation in Canada on quantity and not on quality. Well, now I am trying to bring some improvements to this bill, which I think will better meet the aspirations of the Canadian people. This is why I support the amendment introduced by the hon. member for Terrebonne this afternoon so that Canadians are better protected.

**Mr. Bockstael:** Mr. Chairman, it would have been inconsistent on my part to vote in favour of Bill C-20 precisely when I wanted to point out its deficiencies. I have a lot of respect for traditions, and it should be recognized that, according to parliamentary tradition, the official opposition is normally against any tax increase proposed by the government. Consequently, the opposition should not object to a tax reduction if it is a real reduction applying equally and equitably. Unfortunately, Bill C-20 does not meet those requirements in my opinion.

[English]

Bill C-20 is a far cry from the proposal that the Conservatives promised during the election campaign. It represents a token effort to meet the promises they made concerning their original tax deduction program. This tax cut favours one segment of our society; it sets a dangerous precedent and can be described as a handout to a few at the expense of others. All Canadians know that they cannot expect something for nothing. A mortgage interest tax cut benefits only those households that carry a mortgage, but their neighbours who do not qualify for such a benefit will have to help pay for it in some way or another.

The mortgaged property owners themselves and all Canadians will soon be finding out that they will have to pay a lot more to heat their homes, to operate their equipment and to drive their vehicles. It is impossible to obtain information from the government as to how the moneys will be raised before the presentation of the budget.

[Mr. Roy (Laval).]

This scheme sets a very dangerous precedent that will ultimately become ingrained in our tax system while we recognize that it is an inequitable and inefficient use of funds. It is a proposal which is at cross-purpose with the government's stated goal of reducing expenditures. I find it difficult to accept that the Minister of Finance, who went on record at one time as opposed to such a measure, could do a personal about-face and become a prime supporter of such a crass, politically motivated proposition.

Another aspect of this bill concerns the municipal tax credit. As a municipal councillor I quickly discovered that municipal tax credits were nothing more than a vote gaining move by an upper echelon of government. Let me describe the Manitoba scene as follows. A young couple purchased a new home. The mortgage company listed their tax bill as \$1,250. On applying to the city for a tax certificate, the assessment department told them that their taxes amounted to \$1,000. That was all the city, in establishing its tax rolls, claimed from them for their property, but the province had directed the city to add an additional \$250 on to their tax bill so they could in turn show it as a tax deduction on their income tax form. People were wont to run around and say, "Thank God we have a good government who gives us a \$250 tax refund on our municipal taxes because those lousy councillors are overtaxing us." Actually they did not realize that eventually they could only claim that portion of the \$250 that was applicable to them when they filed income tax returns.

I realize that the proposal before us today is for a genuine tax credit, but what I am trying to point out is this. In earlier systems and earlier relations with senior government and municipal governments, the senior government simply sent one cheque from their treasury to the city treasurer to accomplish the same ends. But that in itself was only known between both treasurers and the city council, and it did not draw the government any individual votes. Whether citizens are poor, middle class or very wealthy, they are all ready to accept what appears to be a free handout. So to make themselves look good, this PC government chose the more elaborate route of an offset to all the bitter pills they are planning to make Canadians swallow eventually. As far as I am concerned, this is a form of misleading advertising that I cannot condone.

The hon. House leader for the government used his most eloquent and persuasive manner, just as if he were trying to win over a reluctant jury, when he urged us to pass this bill quickly without any amendments. He even issued a veiled threat by inferring that if we did not rush it through in its less desirable form, we would be held accountable by the public as the ones who did not want them to have a tax break in April, 1980. Remember that we on this side of the House did not make such a promise, much like the Minister of Finance when he said that our government did not promise renters any relief from their shelter costs. If the government cannot deliver the first phase of the mortgage tax deductibility plan in time for the 1979 taxation year, it could very well be deferred. All they have to do is to keep down their proposed tax increases in other areas.