

ductive make-work programs, private investment money will be used to increase employment and build up this country. We want to reduce the use of public money and increase the use of private investment capital.

Let us suppose for a moment that this selective tax cut had been an ordinary tax cut. Let us suppose, for example, that we had removed the 5 per cent sales tax we have in Saskatchewan—it is 7 per cent in Ontario. An individual is not likely to go out and buy a dozen shirts simply because he gets a reduction of 5 per cent in the price. But it is not at all unlikely that an individual might decide to buy a car because he can get 5 per cent off the price. And where are our cars produced? They are produced outside Canada for the most part. Perhaps half the cars sold in Canada are foreign cars. In other words, if we remove the sales tax the chances are we would be stimulating the economy of a foreign country just as much as our own and the beneficial effect of such a tax deduction would be lost. With a selective tax cut such as our mortgage interest and municipal tax deductibility plan, the main effect will be to stimulate the Canadian economy, and that is one of our prime objectives.

We already have pension plans for the aged, baby bonuses for the young and unemployment insurance for the unemployed. Renters are charged lower rents because landlords are able to deduct interest on capital investment as a straight tax deduction. DREE grants are provided for industry. The fact is, we already have plans for practically every other sector of the economy. This program is designed to give the hardworking, average Canadian taxpayer a break while at the same time stimulating the economy by turning it around and getting the country working again. We do not need a sunset law on a policy of that kind. We plan to give the taxpayer a break.

Mr. Rae: Whenever I listen to a speech by the hon. member for Spadina I realize why he fought so hard against the introduction of a turkey marketing board. It is because if we did have such an institution he and many of his colleagues in the Liberal party would be in danger for their lives.

Some hon. Members: Oh, oh!

Mr. Rae: Whenever I listen to a speech by one of these born again Liberals, I cannot help asking myself where they were over the past 16 years. Where have they been? The hon. member for Spadina spoke as if the Liberal party was ever the least bit concerned with the concept of a tax expenditure. In 1976 my leader, the hon. member for Oshawa, questioned the then prime minister, who is now soon to be once again the one and only member for Mount Royal. In 1976 he asked the prime minister, as he then was, why he did not bring in a tax expenditure budget so that we could have a look at the expenditure side of the budget and could see what kind of benefit he was giving to the men and women of this country, what kind of benefit he was giving to corporations, what he was doing about the oil depletion allowance, how much the oil depletion allowance was going to cost us, how much the investment allowance was going to cost us, how much the fast write-off of capital cost allowance was going to cost us, how

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much the research and development benefits were going to cost us and how much were the undeferred taxes were going to cost us.

● (1620)

What was the answer of the prime minister, as he then was, the leader of the Liberal party? The answer he gave was that that is something which takes place in the United States and that he was sure that people up here would not be interested in knowing how much all that was costing us.

I think it is worthwhile pointing out that if we had these new-found warriors over here to my right and my far right, the members of the Liberal party, still in charge, we would not know what we know today as a result of the publication last week of the tax expenditure figures which the Minister of Finance gave us last week. I will have ample opportunity to disagree with the Minister of Finance tonight and tomorrow, but I want to say that this is something that we in our party have called for for ten years. My predecessor, formerly the hon. member for Waterloo-Cambridge, Mr. Saltsman, was in favour of this idea. I want to make it clear that we were calling for it right through the summer, and I am delighted that the Minister of Finance has seen fit to bring forward tax expenditure figures which allow us to see, once and for all, the costs not only of personal welfare and the tax credit system but also the cost of corporate welfare to each and every Canadian taxpayer.

I want to say to the House that we will not be supporting this amendment for a very simple reason. The simple reason is not that we do not support the concept of a tax expenditure and not that we do not support the concept of a sunset law on tax expenditures.

However, as is typical of the left wing of the Liberal party, the final word as to whether this measure will go ahead in future years is not left to the House of Commons. No, as we might expect from the left wing of the Liberal party, the final word on whether we will have a tax expenditure worth some \$3 billion in 1980 does not rest with the House of Commons. The final word rests with that indoor relief department of the Liberal party, right, centre and left, the Senate.

I think it is worth noting that the first amendment which the left wing member for Winnipeg-Fort Garry brings forward is in defence of the right of the Senate to hold control over supply, a doctrine which is absurd in constitutional notions and which has no relationship to the democratic concerns of the Canadian people.

Some hon. Members: Hear, hear!

Mr. Rae: We in Canada are walking on one leg as far as our Parliament is concerned. We have one body which truly represents the Canadian people, and we have another body which remains the last unreformed, unreconstituted, unrepresentative and undemocratic representation of the Canadian federation. It was designed by the fathers of confederation to represent the federal principle in our government, but there is sad proof that that body has come to represent the final resting home of Liberal and Conservative politicians, proof indeed