

deductions for those who pay income tax, but grants and credits for those who do not pay income tax, and something to help with transportation and all other problems which face handicapped people who have a right to live lives somewhat equal to those of the rest of us.

Certainly I shall not register any objection if it is the will of the House to pass this motion. If it does, of course I shall look for the Minister of Finance to be doing something about it in his budget. If we pass this motion and he does not pay any attention to it at all, then we will find that Tory ministers of finance are no better than Liberal ministers of finance. But far better would it be to have the House agree—I suppose we could do it by unanimous consent—that this motion be sent to the committee which is to be chaired by the hon. member for Brandon-Souris. It would seem to me that that would be the best course to follow this afternoon.

Some hon. Members: Hear, hear!

Motion agreed to.

Mr. Kempling: Mr. Speaker, could I move that we call it six o'clock?

The Acting Speaker (Mr. McCain): It has been requested that we call it six o'clock. Is that agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. McCain): It being six o'clock p.m., I do now leave the chair until 8 p.m.

At 5.44 p.m. the House took recess.

● (2000)

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

[English]

INCOME TAX ACT

AMENDMENT TO PROVIDE TAX CREDIT IN RESPECT OF MORTGAGE INTEREST AND PROPERTY TAX

Hon. John C. Crosbie (Minister of Finance) moved that Bill C-20, to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax, be read the second time and referred to the Committee of the Whole.

He said: Mr. Speaker, it is my distinct pleasure and honour to have the opportunity to speak to and introduce this bill at second reading tonight, and to move second reading of this mortgage interest and property tax credit legislation, and to

Mortgage Tax Credit

call on the members of the House, particularly on the other side, to drop their obstructionist tactics and join with us on this side of the House to pass this legislation before Christmas so this tax credit will become available to Canadian taxpayers and home owners for the fiscal year 1979.

I might say in introducing the legislation that it was in September, 1978, that the Leader of the Progressive Conservative Party, who is now the Prime Minister (Mr. Clark), and who undoubtedly is going to be Prime Minister for many years to come yet, first introduced this suggestion that there should be some allowance or some assistance given to home owners, or some assistance given to people who wish to become home owners, towards the heavy costs of acquiring a home and continuing to operate and own a home in Canada today. I think it was in September, 1978, that he first put in our platform and advocated a scheme such as the one that is now before the House tonight, to assist mortgage holders in Canada with the cost of financing a home and operating a home both in respect of mortgage interest and property tax.

I have in my hand now a background paper, "PC Tax Proposals," that is dated September 21, 1978, which deals with deductibility of mortgage interest and municipal property taxes, and sets out the reason why that policy was being advocated by the leader of the PC party.

This is not an income redistribution measure, this is not an incomes measure, this is a measure to do with home ownership; with owning a home and with assisting the people of Canada in becoming home owners, and, once they are home owners, in assisting them to meet the heavy costs of being a home owner, both in respect of borrowing the money to purchase the home and to surviving afterwards when you take into account municipal taxes and all the other expenses you have in connection with home ownership.

The suggestion as originally outlined by our leader, the present Prime Minister, was for a mortgage interest and municipal property tax deductibility policy. But, Mr. Speaker, that was only a technique; whether it was a deduction or a tax credit. This was just a matter of technique, and what we have before us in the House tonight is a mortgage interest and property tax credit plan.

The reason why we have changed that technique in carrying out this major change in the Canadian system is that this is far less costly to the federal government, the Government of Canada, in the sense that the property tax and mortgage interest credit will be deducted from our federal basic tax and will, therefore, not affect provincial income taxes or provincial taxation, and in no way will it affect the provincial revenue structure. That will save, because it was our pledge that it should be made in all equity and fairness; it was a point of this policy that it would not damage the provinces in respect of their own collection of income taxes.

Obviously if this had continued to be a mortgage interest and property tax deduction from taxable income, then it would have been a deduction not only from federal taxable income but from provincial taxable income, and it would have affected provincial income taxes, and to reimburse the provinces