

Mortgage Tax Credit

from Ottawa across the St. Lawrence. Places in New York state have enormously high property taxes partly because of the provision of claiming deduction of taxes from federal income tax. We all know, including members on the other side, about this situation. I cannot imagine how members of Parliament from the Conservative party could go to Washington, as I believe they did in the spring, and be told by everyone that this is the worst kind of law and yet still present it. Once something like this is put in the tax system, it cannot be taken out. To be told that fact by people in Washington who have interested themselves in this type of a tax law and then to return to Canada and present a bill such as Bill C-20 here in the House of Commons, I cannot understand.

There must be members in the Conservative caucus who speak independently. I cannot believe that in the group we see across the way there is not an independently-minded person. I cannot believe in that entire grey and rather rapidly aging group of monotonous blue suits—

Some hon. Members: Oh, oh!

Mr. Stollery: I cannot imagine that they would not like to have an opportunity to get out of a bad law. Since we are talking about limiting the term of this law for a year, I believe it will become the subject of renewal by an order in council. I think members opposite would welcome this opportunity to get out of a \$3 billion commitment and perhaps a year from now they may well be thanking us for the amendment. If they happen to be the government, and I suspect they will not be, they will be happy to get out of a \$3 billion bad law.

I notice that the Parliamentary Secretary to the Minister of Finance has one or two officials with him. This law is so simple, I doubt that a lot of questions will be directed at those officials. However, it is an enormous commitment. It is a law that I am sure Conservative members will want to review in one year. I am sure they will want to get out of this expensive commitment even if the social significance escapes them—and it probably will.

Under this bill, everyone is paying taxes so that a minority of Canadian taxpayers will get the money. Apparently that point does not bother hon. members opposite at all. Surely after one year, members opposite, if they are still here, will want an opportunity to take a second look at a \$3 billion commitment. I can see the enthusiasm on their faces because of their interest in being able to get out of this commitment a year from now. I know they are interested in not passing bad laws. They have painted themselves into a corner. They have come up with a bad law. And here we are, giving them an opportunity to get out of that situation. I hope they will take the course of courage and accept this amendment.

● (1610)

Mr. Richardson (Humboldt-Lake Centre): Mr. Chairman, we are dealing with sunset law amendments. The hon. member for Mississauga South last night mentioned the fact that we have a sunset law every year in the budget. The hon. member who just spoke told us we ought to have a sunset law amend-

[Mr. Stollery.]

ment because of the cost of this program. I shall deal with that aspect and with the deficit which opposition critics have mentioned as likely to arise. I say there will be no such deficit. It is true the government is faced with an \$11 billion annual deficit and with the problem of balancing the budget. The hon. member says we should not be passing this bill because eventually it will cost the federal government billions of dollars—he said \$3 billion but we believe it will be \$2 billion. We maintain that this selective tax cut will eventually increase government revenue.

This is the way we believe it will work. Last year, 16 per cent of those engaged in the construction industry in Canada were unemployed. Last year 70,000 housing units were unsold and this year there were 60,000 fewer housing starts. It has been estimated that this plan would help an additional 600,000 Canadians to own their own homes. It has also been estimated that if we can get those 70,000 unsold units off the market and increase housing starts this year by 60,000, an additional 105,000 man-year jobs would be created; in other words, a year's work for an additional 105,000 Canadians.

At the moment, the government is subsidizing the unemployment insurance program to the extent of some \$2 billion a year. If we can take people off unemployment insurance and put them to work we will save money on the unemployment insurance program. Increasing the work force by 105,000 automatically broadens the tax base. Government revenue is thereby increased because there is an increased number of taxpayers even though they are taxed at the same rate. What we lose at the beginning we more than make up for in the end. That is why I say we shall not be increasing the federal deficit.

It should also be remembered that 100 per cent of the labour used in house building in this country is Canadian. Some 95 per cent of all materials going into houses here is Canadian. What better way could there be to help the economy than by using 100 per cent Canadian labour and 95 per cent Canadian materials to build houses for Canadians in Canada, while at the same time helping the construction industry, 16 per cent of whose work force was unemployed last year?

An hon. Member: What about the amendment?

Mr. Richardson (Humboldt-Lake Centre): I am dealing with the amendment—the sunset law. We do not need a sunset law to reduce public expenditure.

An hon. Member: Sunshine for everybody.

Mr. Richardson (Humboldt-Lake Centre): Right. We want to help the construction industry and this plan will do so. That is why we do not need this amendment.

My third point is this: There are tax cuts and there are selective tax cuts. This is a selective tax cut because it is designed to encourage people to invest in their own future. We do not want a sunset law for that. It encourages the private sector to invest in itself so as to get the economy of the country moving. Instead of using taxpayers' money to finance non-