

Mortgage Tax Credit

[Translation]

The Chairman: Order. The hon. member for Victoria-Madawaska (Mr. Corbin) on a point of order.

[English]

Mr. Corbin: The hon. member who just spoke made the statement that the other place does not represent the public. Is it then his opinion that the Minister of Industry, Trade and Commerce and the Minister of Justice, both of whom are in the other place, do not represent the public and therefore should run for election?

Some hon. Members: Hear, hear!

Mr. Baldwin: That is a matter of high policy which I leave to my friend, the right hon. Prime Minister.

An hon. Member: He's been muzzled already.

Mr. Baldwin: I deal with the nuts and bolts of the tax situation—the nuts over there.

Some hon. Members: Oh, oh!

Mr. Blenkarn: I listened with interest to the proposal of the hon. member who is worthy of this tax and who made some proposals in connection with the sunset laws. But he must realize that sunset laws do not normally apply to tax measures. After all, we have a sunset law on every tax measure every year when the Minister of Finance produces his budget and his budget bills. All these tax allowances and measures are reviewed by the Minister of Finance once a year and are part of his budget performance. Surely the Income Tax Act is not wedged in stone or carved out for time immemorial. It can surely be changed. This is not a place for a sunset law.

● (2140)

I thought I would hear something interesting in support of a sunset law with respect to the tax policy, until I heard the hon. member for Davenport. He got into unemployment insurance, day care centres, the working poor, Canada Works and all the rest of a myriad of things governments do. These are expense items, not tax items. This is a tax item. This is an amendment to the Income Tax Act allowing for specific deductions to specific taxpayers who have to pay interest to own property. They have to be positive taxpayers and therefore can take advantage of a reduction in their personal income tax.

With his budget resolutions and his numerous tax changes every year, the Minister of Finance alters in a profound way the allowance individuals can take from their taxable incomes, and the rules under which their taxable incomes are determined. Undoubtedly tomorrow night we will get alterations to the Income Tax Act. Probably these alterations will make changes to what is deductible and allowable as an expense of whatever.

An hon. Member: How do you know?

Mr. Blenkarn: It happens every year. The hon. member asks how I know. I am assuming it will happen.

An hon. Member: Oh, you are assuming!

Mr. Blenkarn: There has hardly been a year in the history of this country where there has not been some change in the Income Tax Act with reference to persons or corporations. So, I assume that tomorrow night we will have evidence again of a suggestion and a total review, perhaps a sunset on the old system, and a new system coming forward with respect to how the taxes are to be levied on us as individuals and on the corporations of this country. Really, this is not a place for a sunset law at all. A sunset law should apply to items of expense and to items of government programs. This is not a matter for a government program. It is a matter of a tax allowance to individuals who happen to own their own homes.

I was most interested in terms of a housing policy, particularly with the hon. member who suggested that it seems to be the policy of the Liberal party to have capital gains taxes on single family houses, an imputed rate charge or something of that nature. If that is their policy, I would like to hear about it. Their last policy was AHOP. Their other policy was MURB. That looked after all their wealthy friends, but we have not had a concrete proposal from them other than a proposed sunset provision. Clearly they can do better than that.

They complained that this statute visualizes a change in the Income Tax Act for a four-year period. All right, that is what it visualizes. But there is nothing to prevent them from going to the people of Canada, after the act is passed, after they have amassed their friends in the New Democratic Party, and perhaps defeated us, because we are a minority government, and making it their policy in an election that this will be abolished.

In the last election this party laid out a plan of income tax allowance to home owners and a plan of tax allowance to home owners in respect of municipal taxes. We set it out in fair detail to all the people who voted in the country. We are now producing this plan. The other day they said that we have been in government for six months and have not done anything. Well, here is a thing we are doing; here is what we promised. If they do not want it that way, they can come out with a party policy in the next contest we may have, perhaps in three or four years after the act is fully in place. They can say that they do not want anything for the home owner. They can say that they do not want anything in terms of a tax allowance.

The hon. member for Davenport said that this provision does nothing for people who own their own homes absolutely. First I should like to tell him that if they are positive taxpayers they get an allowance against municipal taxes.

An hon. Member: It is \$67.

Mr. Blenkarn: It will be \$67.50 this year, and in four years from now it will be \$250. That is 25 per cent of a \$1,000 tax bill. That is a pretty good allowance, and it covers most of the houses in this country.

Some hon. Members: Hear, hear!