

going to do it and tell everybody how much it is costing. Go to the Canadian people and tell them the cost of this program. Do not hide it in tax expenditures the way this proposal is being hidden.

Why should the government pay for all of the subsidy? Why not get the banks, whose profits have been exceedingly high and who have been benefiting from the deferred income debentures which we have been talking about in this House over the past three weeks—they have been benefiting systematically from that—to come into a housing development fund that would be used to subsidize interest rates directly? This is quite apart from the folly of the government's interest rate policy. It is quite apart from the crazy rates we have been suffering from for the past months and years under Liberal and Tory governments. This is a scheme that says that if you want to get interest rates down, do it and tell the people you are doing it. Don't pretend you are selling something, some snake oil that is not really there. Tell them. Be responsible. Live up to the rhetoric which the Minister of Finance has been giving us since he took office.

● (1550)

The difficulty about this government is that it has broken the promises it should have kept and kept the promises it should have broken. If the government was serious about stimulating the economy, it could have brought in a tax cut that applied to all Canadians. There is no reason the two groups singled out by the government in its tax policy since it was elected should have been chosen for special treatment. Who makes up these two groups? First, the doctors, lawyers and accountants who got the benefit of the small business tax credit. The second group consists of the 2.1 million householders who will benefit from this scheme.

[*Translation*]

Mr. Fabien Roy (Beauce): Mr. Speaker, we have before us Bill C-20 entitled an act to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax. Obviously, some aspects of this bill were to be found for many years in the program of the Social Credit Party of Canada but, Mr. Speaker, I should like to come back immediately to the reasons which have prompted the present government, the Progressive Conservative government, to bring this bill before the House. I shall refer to the words spoken yesterday by the Minister of Finance (Mr. Crosbie), as reported on page 1462 of yesterday's *Hansard*, and I quote the minister:

This plan is to be phased in over four years, as was promised in September of 1978 by the Prime Minister. It was a commitment which aroused a lot of interest during the election campaign. I was one of the principal reasons, I believe, that people supported this party—

I think the Minister of Finance and his government are mistaken in their assessment of the situation, because if the Progressive Conservatives were elected on the basis of that promise, how is it then that they were placed third in Quebec in the last general election and managed to have only two

Mortgage Tax Credit

members elected of 75! It is certainly not this measure announced by the government during the campaign which prompted Quebec voters to support the government. And if it is an election promise, then I think my colleagues on the government side should be a little more careful when making such assessments. How is it that the government lost both byelections yesterday? It is a much more serious matter, Mr. Speaker, even though the government claims this measure is aimed first of all at relieving home owners. It must be specified that it will relieve some home owners and not all of them, because not all Canadians who own a mortgaged home will be able to benefit from this legislation.

Moreover, the government has stated that it meant also to encourage private ownership. To what extent? Are there any statistical data about this? Were there studies carried out to indicate to hon. members and the Canadian people just how many people this new legislation would encourage to become home owners? My colleagues and I are in doubt about this, Mr. Speaker. I suggest therefore that this second objective should have been looked into more seriously by the government.

And then, it is to give impetus to housing construction. Well, during the last election campaign which ended on May 22 the present government had made all sorts of promises and undertaken not to follow in the steps of the previous government which had always agreed with the decisions of the U.S. Federal Reserve Bank to increase the discount rates—and God knows that the new government has followed these steps, along the same narrow and winding streets of the previous government, not only to adopt but to approve, so to speak and without any qualification, the decisions taken outside our own country in areas which concern us, our country and our fellow Canadians.

To what extent will such legislation stimulate housing construction? I invite the government members and the Minister of Finance to reply to this question. What will be the economic impact of such legislation on the good administration of public affairs and national affairs? Usually, when an incentive program is offered to the population, certain economic consequences are expected, perhaps indirectly, but they still allow the government to increase fiscal and government revenues.

When programs are established to stimulate employment and manpower, a number of Canadians can join the labour market and contribute to increasing public funds through their taxes. However, when restricted economic policies are introduced so that individuals, instead of contributing to public funds, can benefit from social legislation aimed at helping people who would otherwise live in unacceptable circumstances, what are the consequences of this on the budget and the Canadian economy?

Mr. Speaker, I listened to and reread the comments made by the three previous speakers: the Minister of Finance, the spokesman for the official opposition and the representative of