

Mortgage Tax Credit

would help people save in advance of their purchase so they might realistically be able to handle the subsequent mortgage payments.

We all know that the high cost of interest is creating a very serious problem, but these high interest rates have been created by the government. As the Minister of Finance keeps telling us, and we agree with him, hopefully this is a short-term problem. If they are a short-term problem, then perhaps they require a short-term solution.

In that regard we as the Liberal party would suggest that the minister implement two programs aimed specifically at the problem of short-term, high interest rates. The first of these programs would provide a mortgage interest subsidy on renegotiated mortgages. The program would provide maximum benefits this year, which would be phased out in subsequent years as mortgage interest rates drop. The second program would involve a mortgage interest rate subsidy for the purchase of new homes. As with the other program, this would also be reduced over a period of time.

● (1740)

High interest rates are serious and they are with us now. The Liberal party proposes strong action to offset these exorbitant interest rates, but it proposes action that is short-term and limited to the duration of the problem. The difference between our proposal and the government's proposal is that we will not be shackled with this program for the rest of recorded history.

In conclusion, we are suggesting that there are better ways of going about this plan than the ways suggested by the government. We have provided an indication of better, more effective ways in which the government could spend the taxpayers' money to achieve the desired end. That raises the question of why the government is sticking to the mortgage tax credit. There is no reason why they should stick to it. Perhaps it is to honour an election promise. That is not good enough for the Canadian people, and I know that they will not be fooled by a government that has no other reason for this plan than the honouring of an election promise. We have provided sincere and positive indication, as the Prime Minister has requested, that responsible alternatives do exist. We call on the government to show some leadership in this regard and to show the people of Canada that it is ready to make some sound decisions on their behalf. We want the government to be honest with the Canadian public, to repudiate this election gimmick and to adopt some serious and rational policies that will deal with the real problem.

The Acting Speaker (Mr. McCain): The hon. member for Regina East (Mr. de Jong).

Mr. Knowles: Hear, hear!

Mr. Simon de Jong (Regina East): Mr. Speaker, I thank the hon. member for Winnipeg North Centre (Mr. Knowles) for his support. It is with pleasure that I participate in this important debate. The measures discussed in this debate will affect this country for many years to come. It is definitely a

[Mr. McCauley.]

very naked piece of legislation which will cost billions of dollars in the years ahead, and it is a piece of legislation that once in place will be very difficult to change.

Therefore, the members of this House are taking on a great responsibility for future expenditures. That is why I was somewhat dismayed on reading the type of threats or ultimatums made by the Minister of Finance (Mr. Crosbie) that we pass it or else. I was hoping that we might have some enlightened discussion on this tax measure before us so that as we take on this responsibility of tax expenditures of billions of dollars in the future we could do it wisely.

I welcome the Prime Minister's invitation to members of this House to bring forward suggestions, and we will definitely be doing that in committee. I hope that we can bring forth constructive suggestions that the members opposite as well as the members of the official opposition will find acceptable and which we hope will improve this bill and make it a sound bill.

Having listened to some hon. members this afternoon, particularly members of the government, I suggest that the statement that members of the New Democratic Party are not interested in people owning homes or in the individual home owner is false. This statement may have resulted from excessive rhetoric, but in this day and age such statements just do not make much sense.

I can remember reading my history books where in the thirties and early forties members of both the Conservative and Liberal parties tried to scare the people of Saskatchewan by saying that once the CCF got elected, they would burn down the churches and that it would be the last time they would ever see an election. Of course, the people of Saskatchewan never paid much heed to those threats and succeeded in electing the CCF, which they kept in power from 1944 to 1964 and returned to power in 1971.

That government produced some very progressive pieces of legislation, which the hon. member for Edmonton admitted, rather grudgingly, I might add, earlier this afternoon. That government was concerned that the basic human necessities be available to all, basic necessities such as a warm house, health care, clothing and food. These items are all essential and it is a human right that they be available to everyone.

We feel that the government has a part to play in helping to provide those basic human needs. It is our belief that if those basic human needs are not a burden which people must carry, we will then experience a qualitative improvement in the society in which we live. As I mentioned before, housing is very important to most Canadians. For many Canadians it takes anywhere from 10 per cent to 30 per cent and even 40 per cent of their incomes to pay for such things as their mortgage, their heat and the maintenance of a home. It is an item of major concern to most Canadians, and particularly young Canadians.

There are those who were quite fortunate to have purchased a home ten, 15 or 20 years ago, but those who have purchased a home in the last five years or those who face the prospect of purchasing a home now are faced with a tremendous burden.