

paying taxes and this would stop the drain of hundreds of millions of dollars from the federal treasury to the provincial treasuries by way of transfer payments such as the \$1,800 million that was required last year because of the high unemployment in this country. What is the experience in respect of this type of approach? This is not a new idea. It has been followed in the United States. It has also been practiced in the United Kingdom. Both countries use this method quite effectively.

I take no credit for originality. I am merely trying to have this government see the direction in which it should move. It appears to me that what we must attempt to do is give the average Canadian some historical heritage. We must give him some roots in Canada and thus enrich his life. I wish all members could read a book by I. H. Asper called "The Benson Iceberg" published by Copp-Clark in 1970. I would refer them to pages 16 and 17 in which he refers to the deductions allowed in the United States. All federal and local taxes are deductible. So also are sales taxes, gasoline taxes and any other taxes. These may be deducted from income when one computes one's federal income tax. This is the type of program we must have in this country.

When the hon. member for Regina East (Mr. Balfour) presented a somewhat similar motion before this House in April certain options were presented. The hon. member for Laurier (Mr. Leblanc), who replied on behalf of the government, obviously read a prepared statement because he did not reply to what the hon. member for Regina East had to say. He started off by making some rather irrelevant and inaccurate remarks about the Progressive Conservative party and the hon. member for Regina East. The hon. member for Laurier said that there had been more housing built in Canada from 1968 to the present time than in the last 20 years. The logic of this argument must have been mixed up in the translation because I do not understand it. It does not deal with the position of the thousands of people who live above the level at which they would be entitled to subsidized housing. These are the people whom we must help, but that was not apparent obviously to the hon. member for Laurier. However, he took great pride in pointing out to the House that businessmen may deduct their expenses, that if a corporation wishes to buy share-capital it can borrow the money and charge that interest.

Surely the average Canadian has an entitlement to what one might call social capital by way of owning his own home. Surely, that is just as important as allowing corporations to deduct their interest payments when buying share-capital. The average Canadian should be worth as much as any businessman or corporation. He went on to explain that fundamental concept of income tax that expenses are allowed only when they are used to create income. I would invite the hon. member for Laurier, and the government on whose behalf he was speaking, to look at the numerous and varied examples in the Income Tax Act. That will put the lie to that statement. He also said that the basic deductions allowed to Canadians are even better than those allowed in the United States of America. I would invite him to read Asper. All I have to say to that comment is balderdash.

The hon. member for Laurier, speaking on behalf of the government, went on to indicate that Canadians are not

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charged a capital gains tax on their own residence. It was suggested that the government was being a big brother for not imputing income in respect of a person living in his own home. My, how magnanimous this government is! But we are not dealing with capital gains. We are dealing with the right of a Canadian to own his home and to be encouraged so to do. We are not dealing with the adding of an additional burden to the already oppressed income tax payer. We are trying to lighten his load. The government says there is a difference between the tenant and the owner. I would ask the government to re-read the proposition put forward by the hon. member for Regina East in which the position is adopted that there must be a benefit to the tenant as well as to the owner.

Again the hon. member for Laurier, speaking on behalf of the government, said this provision would be much better for the rich than for the poor because if a man did not own his own home he would not have enough money to receive these benefits. Let me point out to the government, and to the hon. member for Laurier if he has failed to realize it, that if a man is that poor he would be living in subsidized housing. The hon. member dealt with two extremes. First, he dealt with the man who owns his own home whose income is so low that he would not benefit from the deductions. Such a person is already faced with economic doom. There is the other extreme of the person who happens to own an oil well in Calgary. No one would really care if he did not receive the benefit of the full deductions allowed. The fact that this is an item for the rich is merely taken from the textbooks which now have no relevancy due to the fact that we do have subsidized housing.

Are we not trying to take people out of what we may call the beer parlour society and encourage them to build up an equity of which they may be proud so that they will not be living just for today. If a man is renting, the rental people will also receive a deduction from this. I hope that these deductions would permit people to save enough for the necessary down payment. This is what this motion aims to do. The limit on the amount deductible for real estate taxes and for mortgage interest purposes ensures that it will not be detrimental to any other Canadian taxpayer. I am surprised at the hon. member for Laurier who says that this legislation is for the rich and not for the poor. He knows, all too well, the many special favours given to the rich under the Income Tax Act to which the poor or even the average income man is not entitled.

● (1710)

The hon. member for Laurier says that such an item in the Income Tax Act would tend to raise interest rates. People would not care what they paid if they could deduct it. That is nonsense, and he does not back up his statement with any facts whatsoever. It is certainly not the case in the United States where such deductions are permitted. Then, he made the point that people would put a mortgage on their house to buy a new car or a new boat. The hon. member knows very well that this is being done with investment loans, but it can only happen to the rich who cash in their stocks, get some money, buy their boat, or borrow money from the bank, buy the stock and deduct the interest. But only the rich can do that. That puts the lie to that one, Mr. Speaker. I believe the government,