

contiguous intermeshed market like the United States, then the forces compelling a comparable increase in rates are well-nigh irresistible. That's the hard fact. Nevertheless, this government remains committed to the principle of low interest rates as soon and as quickly as the international and domestic economic climate permits us to take appropriate action.

Massive deficits, high inflation, massive and virtually uncontrolled spending over a long period of time—16 years—were not conducive to a resurgence of prosperity. And that is what this country has been experiencing. The only possible end to the policies pursued by the previous government had to be a loss of confidence in Canada's ability to manage the national economy, a catastrophic decline in international acceptance of the dollar, loss of our competitive position, erosion of savings, and widespread and continuing unemployment.

Rather than permit these events to unfold with the inevitability of a Greek tragedy, or follow the stance of the former government paralysed by its own incompetence, we decided to act. One of those measures upon which we decided to act is before hon. members now. They ask what we have done. The measure is before hon. members. Let them support it.

● (2040)

We agreed with the recommendations of the governor of the bank, and we took steps to staunch the haemorrhage of confidence and the leaking away of our assets. At the same time, restraint will be exercised in bringing about increases in the money supply, somewhat contrary to the policy of the former government, which apparently attempted to use the device of increasing the money supply as a means of meeting its debts.

It is a fact that while a reasonable and prudent approach to money supply policy would indicate an increase rate of between 6 per cent and 9 per cent, under the former administration this was allowed to rise to 12 per cent and 14 per cent, contributing substantially to the inflationary levels in this country.

In the face of general uncertainty generated by the previous government's lack of policy, ours must be a policy of responsibility and getting Canada back on the track. To follow any other policy at this time would be self-serving and, indeed, politically motivated.

One of the areas in which we are committed to pursue a policy of selective recognition of the needs and the role of various groups and classes of Canadians lies in the field of tax credits for residential mortgage interest payments. There will be, from time to time, other examples of the government's concern for certain areas and groups within society whose particular role and the demands of that role necessitate a special kind of approach. There is no contradiction in this measure and no departure from the carefully considered policy of prudent restraint, brought about largely by the previous administration's failure to come to grips with the realities of the situation. We are now, all of us, faced with the consequence of that failure on the part of the previous government, and we shall by a measured, careful, and concerted series of

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policy initiatives restore health to Canada's somewhat neglected economy, to put it in its kindest terms, and to move this country forward along the path of economic and social progress. That is the state of affairs.

If hon. members opposite persist in the folly of opposing a measure clearly intended to bring relief to millions of Canadians and to provide a stimulus to the economy, then they are pursuing the course of disaster, a disaster which they experienced on May 22, and I am convinced that they really cannot see that they are headed down the same road again.

[*Translation*]

Mr. Jean-Claude Malépart (Sainte-Marie): Mr. Speaker, the program aimed at making home ownership accessible to a greater number of Canadians was a worthy one, but unfortunately Bill C-20 presented by the minister is only a band-aid on a wooden leg. Moreover, this bill is unfair to many Canadians, mostly the four million tenants and the majority of senior citizens who own their homes and have already paid their mortgages. In my opinion, this legislation is a joke as far as the home owner property tax is concerned, when we know that the same minister authorized a raise in the interest rates for the greater benefit of the banking institutions.

Mr. Speaker, the New Democratic Party, the Social Credit Party of Canada and Liberals have all criticized this unacceptable bill. I am also convinced that many of the government backbenchers are against the bill, but are not allowed to say so. Mr. Speaker, I would like the minister to say why his government will not grant a property tax credit to tenants and I hope he will not give a silly answer such as the one he gave newspapermen, saying that tenants will not get anything because they were not promised anything.

I would also like the minister to tell us why this Progressive Conservative program grants a maximum tax credit of \$260 after four years to families with incomes between \$10,000 and \$15,000 compared with a tax credit of \$900 for those with an income of \$30,000. Is this the justice of the Progressive Conservatives, Mr. Speaker?

An hon. Member: It is.

Mr. Malépart: I would also like the minister to explain the inequity of this program for all Quebecers because of the difference in the number of home owners and tenants. According to the experts of the Minister of Finance, during the first year, 44.7 per cent of the \$575 million in taxes saved through this program will go to Ontario residents compared with only 18.1 per cent in Quebec. Will the minister grant financial compensation to Quebecers? Moreover, I would like him to tell us from which department he will take the money needed to finance this program. Will there be a transfer from the budgets of old age security, family allowances, unemployment insurance or Canada Works projects, which have already been cut? I am curious to hear what the minister has to say about this.