

Mortgage Tax Credit

lectured daily by members opposite about the deficit problems, and when all kinds of forecasters are saying that four years down the road additional stimulus to the economy will not be needed.

While we are in a serious position now in terms of recession, we will be coming out of that recession two or three years down the road, and that added expenditure will simply add to the inflationary pressures. It will be far more serious when all the pressures as a consequence of these heavy expenditures are going to result in a heavier demand on housing. It will add 7 per cent to 8 per cent to the cost of housing. It will not stimulate construction of additional units, as might be the case if there were more selective targeting.

● (2110)

I would suggest to you, Mr. Chairman, that the \$3 billion we are talking about represents almost three times the size of last year's CMHC budget under which close to 270,000 units of housing were produced, and of that number well over 150,000 were produced as a result of direct government stimulus. So we are spending \$3 billion to get, on the average, some 20,000 units per year. Mr. Chairman, there are some people over there on the other side who pride themselves on their knowledge of economics. Do they think it is a "good bang for the buck" to be spending \$3 billion to get 20,000 units, whereas we spent a billion dollars and got 270,000 units out of it? Do they consider that to be proper expenditure?

So, the first proposition we introduce is that it is essential the government should not commit itself automatically to a four-year expenditure. This is a point of view which has been supported by the hon. member for Peace River in the motion under Standing Order 43 he introduced last week. So it should be subject to review. The Secretary of State is also in agreement with the idea that there should be a sunset law applied to the mortgage credit program. We are in full agreement. We believe that a sunset law should be applied to this act so that, on an annual basis, Parliament would have an opportunity to review the expenditure and determine, in its wisdom, whether a commitment of money should be made. Each year a certain floor of expenditure would be established and under that floor we would have an opportunity to determine whether additional costs should be incurred by the government, whether economic conditions at that time permit additional expenditures to be made.

In these circumstances I should like to move the following amendment:

That Bill C-20, an act to amend the Income Tax Act to provide a tax credit in respect of mortgage interest and home owner property tax, be amended

(a) by striking out line 16 on page 1 and substituting the following therefor:
"taxation year"

(b) by inserting the following:

Expiration and extension

1. (3) This section expires on December 31, 1980 unless, before that day an order in council is made to the effect that this section shall continue in force for another year.

Periodic extension

[Mr. Axworthy.]

(4) Where an order in council is made under subsection (3), this section expires on December 31, 1981 unless, before that day another order in council is made to the effect that this section shall continue in force for another year, and the governor in council may in like manner extend the application of this act from year to year.

The Chairman: Order, please. We are faced with a difficulty. The hon. member seems about to read further details of his amendment. But the committee is still on clause 1 and I can only receive amendments to clause 1. When we get to clause 2, members can move all kinds of amendments to clause 2. The amendment as to the effective date, or the proposal to reconsider the act some time after it is in force, relates to clause 3. We have to proceed in an orderly way.

Mr. Axworthy: I think you must have misunderstood, Mr. Chairman. This is an amendment to clause 1—to subclause (3) of clause 1. If you will look at the bill, you will see on page 1 there are clauses 1 and 2. We are amending subclause (2) of clause 1 and are adding a subclause (3).

The Chairman: Very well. I have sorted out the amendment in reference to the clause.

The question is on the amendment.

Mr. Axworthy: Mr. Chairman, because of the interruption I had no opportunity to read the whole of the amendment. There are further subclauses I wish to move as part of the general amendment, as follows:

Consideration of motion

(5) A motion for consideration of an order in council referred to in this section shall be laid before Parliament not later than three days after the order is made or, if Parliament is not then sitting, within the first fifteen days next thereafter that Parliament is sitting, and each House shall, in accordance with the rules of that House, take up and consider the motion, and all questions in connection with the motion taken up and considered by that House shall be debated without interruption and decided not later than the end of the third sitting day next after the day the motion is first so taken up and considered.

Effect of failure to approve of order in council

(6) If, at the conclusion of the consideration of an order in council pursuant to subsection (5), both Houses of Parliament do not resolve that the order in council be approved, it shall thereupon cease to have effect.

Effect of failure to resolve

(7) Failure of either House or both Houses of Parliament to resolve that an order in council referred to in this section be approved does not affect the validity of any action taken or not taken in reliance on the order in council prior to the conclusion of consideration thereof pursuant to subsection (5)."

The Chairman: The hon. member for Davenport.

● (2120)

Mr. Caccia: Mr. Chairman, in speaking in support of this amendment I can think of more than one reason why the party supporting the government, the Progressive Conservative party, ought to support this amendment. The first reason which comes to mind is that the idea of sunset laws was actually propounded in this chamber at length by the President of the Treasury Board. It was he who actually encouraged the government of that time to consider this concept. If I am not mistaken, the former leader of the opposition supported the President of the Treasury Board very strongly on the idea of