

Mortgage Tax Credit

and it is the policy we are now prepared to implement with the approval of this House.

I heard some comment tonight about the United States from the hon. member for Ottawa Centre. I would simply point out to members opposite that in the United States where there has been a massive movement towards the reduction of the bureaucracy, reduction of government intervention at all levels and, consequently a reduction of taxes extracted from individual and corporate owners, this movement has been followed by increased economic stimulus, an increase in revenues at the state levels, and a drop in inflation.

This measure is only one step in the unfolding policy of this government to entrust the taxpayers of this country with a larger measure of spending power over those dollars which they themselves earned by their own initiative and enterprise.

There are three other vital concerns in the implementation of the policy before us. The measure will assist those who are working to acquire ownership of homes and property. It will stimulate housing construction and the employment related thereto—I need not mention the multiplier effect of that. It will ease the tax burden, already unduly onerous, on nearly four million families, which was the responsibility of those who sit opposite when they supported the government of the day. What is wrong with easing the tax burden on four million Canadian families?

An hon. Member: Why don't you do it and stop talking?

Mr. Nielsen: Why don't you support a measure which will achieve precisely that objective? If you want to pass it tonight, that is great, we shall do it.

Surely, in view of past statements and policy enunciations by hon. members opposite, particularly in the New Democratic Party and the Social Credit party, all of these are worthy and commendable objectives, objectives to which they have many times publicly and passionately subscribed.

I would hope in the light of this it would be possible to debate the merits of a measure so demonstrably beneficial to a wide range of Canadians, free of partisan recrimination and short-sightedness and free of the bitterness which still lives with them over there as a result of the verdict of the Canadian people on May 22.

One can discern, Mr. Speaker, in the tone of the House a recrudescence of partisan temper following hard on the events of yesterday. The hon. member for Ottawa Centre raised it again today.

One can even understand a certain exuberance on the part of the opposition, particularly members of the former government who, in a kind of prophetic frenzy, see the bauble, power, once again dangling before their eyes. I am afraid that is what it will continue to do, Mr. Speaker. Just dangle—as they have been doing ever since we began sitting here again. I want to convey in the friendliest way possible, to hon. members opposite, that just as one swallow does not make a hangover, so one byelection does not signify “Paradise Regained”.

[Mr. Nielsen.]

Some commentators, sir, have related the effects of the measure before the House to those of rising interest rates and have stated that the impact of the measure has already been lost, eaten up: conversely, I emphasize that the measure will soften the effect of high interest rates for several million Canadians. Hon. members who are critical of the measure do not address that aspect. The juxtaposition of the two matters is not unfair; it should be made clear that the tax credit we are now discussing reflects more clearly this government's policy and approach to taxation and, what is even more important, a balanced economic order, than does the policy of high interest rates, a situation in which the government was left with very little room to move.

Some hon. Members: Oh!

Mr. Nielsen: Members over there pooh-pooh that, but those who do so in the loudest voice have not had the same access to the books as we have had since June 4. That was the situation we found when this government took office. That is a fact. Like Old Mother Hubbard we found the cupboard was bare. Not only did they leave nothing in the pantry, they took the pantry away with them, too.

An hon. Member: A sad excuse!

Mr. Nielsen: Our first concern was to restore order and balance in the economic and fiscal affairs of this country.

An hon. Member: What do you mean, “order”?

Mr. Nielsen: The hon. member interjects. Real order. Order where there was none. Order where there was a vacuum. Order where the Auditor General said Parliament had lost control of public spending. If you don't believe voices from this side, then at least believe the independent voice of the Auditor General.

Our first concern was to restore order and balance in the economic and fiscal affairs of this nation. I should also point out that while this government has been criticized for the present level of interest rates, it should not be forgotten that interest rates were already high when we took office and would certainly have gone higher. You cannot have a budgetary deficit of twelve billions along with inflation of 10 per cent to 12 per cent in real terms, and keep low interest rates.

One of the essential elements in the kind of double digit inflation we have suffered from for so many years, is that as the cost of goods and services goes up, so the buying power of the currency is eroded. Money out on loan can lose its real value, in terms of purchasing power, far more quickly than the rate of interest can compensate. The result is reluctance to lend by private lenders.

An hon. Member: Whose fault was it?

Mr. Nielsen: The hon. member asks whose fault was it? Is he suggesting that in five months we created the mess we found? He is living in dreamland. That is the bauble they are looking at. When you have higher rates in a massive and