

there are constructive proposals coming forward from this caucus on second reading—which there will be and I will be outlining them at the end of my speech—we expect the government to look at them carefully, to consider them and to act as it must, particularly in view of what took place yesterday in Newfoundland and in Saskatchewan. It is a government that needs the support, consensus and agreement of more than its own members.

I suggest to the Minister of Finance that, while I find his remarks as entertaining as the next person and while I certainly do not mind his bluffs and challenges that we step outside and have a fight like some bar room bully in the back streets of one of our major cities, it would be far better if he were to take seriously the comments, criticisms and remarks which have come forward from this caucus. I remind the minister that we have had over a year and a half to consider this legislation and that there has been a considerable amount of discussion about it.

● (1520)

I am happy that the minister came to his senses with respect to the differences between a deduction and a credit. I recognize that he has taken a small step—a “banana step”, as we used to say—toward a reasonable position on the problem. We do not think he has gone far enough. There are still some very severe problems with this legislation and it cannot be passed in its present form.

I am going to outline very carefully, Mr. Speaker, why we want this legislation improved. The first thing we must do is address ourselves to the problem. What is the problem being faced today by many Canadians? I suggest to the government that there are two major problems with respect to housing and poverty in Canada. The first major problem is that there is an affordability crisis in Canadian housing. That is to say, there are far too many households spending far too much of their money on housing. The ironic thing is that the majority of the people who are paying too much money for their houses are not home owners, not mortgage holders, but in fact are renters. Over one million households in Canada are spending more than 30 per cent of their income on housing costs. The vast majority of those people are not home owners, they are tenants. That is the first aspect of the problem the government has to deal with. It is an affordability problem, a crisis related to how much money you have and how much of that money you are spending on housing.

The second problem is the deterioration of the physical standards of housing in many parts of the country but particularly in the inner cities of major urban centres. The inner cities face serious problems in the condition and standards of housing, as do many parts of rural Canada.

So we have two problems. The problem of affordability is tied to how much money you make and is not tied to whether

Mortgage Tax Credit

or not you own a house or pay a mortgage. Then there is the deterioration of the physical standards of housing.

I think we are entitled to ask ourselves what the Liberals did when they were in power. We heard the speech of the hon. member of Winnipeg-Fort Garry who spoke as if he was not one of the brains behind Liberal social policy for the past five years. He spoke as if he were not responsible for AHOP, CHIP, ARP, MURB and all the other features of Liberal genius which we have experienced for five years.

An hon. Member: He was behind us but he was not one of the brains.

Mr. Rae: We are entitled to ask ourselves whether Liberal policy was directed to those particular problems. We are also entitled to ask whether this measure put forward by the Minister of Finance deals with those two problems. If it does not deal with them, then I think we are entitled to ask how we can get a better piece of legislation that will deal with them. I do not think that is being obstructionist, ideological, foolish, or is any of the myriad of adjectives the minister has thrown our way this session.

I might say, Mr. Speaker, that I am always intrigued by the amount of attention the Minister of Finance devotes to this party's caucus. It is getting bigger with every byelection that is held in this country. That may be a sign that we are starting to get to him a little bit.

Let us look at what the Liberals did. Their housing policy can be summarized in one word: retreat. They retreated from CMHC and abandoned it to the provinces. They retreated from their RRAP program by depriving it of funding. We all know that program of assistance for residential property was critical. It would have allowed low income people in the inner cities to improve the physical standards of their housing.

Mr. Darling: Right on.

Mr. Rae: The hon. member for Parry Sound-Muskoka (Mr. Darling) agrees with me. He knows how important the RRAP program was in his area. I know how important it was and still is in mine.

I also know, Mr. Speaker, how dishonest the Liberal position was. In their last piece of legislation they promised to make the program universal. It was no longer to be tied to NIP. We had NIP, RRAP, CHIP, AHOP, ARP and MURB. That was Liberal social policy. They made it universal but there was no money behind it. That was typical of the Liberal party in their dying days. They were attempting to satisfy those people who knew that they deserved assistance in upgrading their homes. One the other hand, the Liberals were saying there was no money for the programs they were putting forward. That was the hypocrisy of the Liberal government.