

Oral Questions

Mr. Chrétien: Last Friday my party proposed an emergency plan in a few points that are quite clear: a lower Canadian dollar, municipal infrastructure, training and retraining, more money for food banks, and a program to stimulate housing in two points.

Today the government has decided to implement one of them: to reduce from 10 per cent to 5 per cent the cash payment for a new house. I congratulate the government on accepting that.

Some hon. members: Hear, hear.

Mr. Chrétien: The second half of our proposition involves the use of RRSP funds. That will stimulate very much the housing industry. Is the government prepared to proceed immediately with this proposal as well?

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, I want to say to the hon. Leader of the Opposition that I agree with his observation that Canadians want Canada to work. They want the country to be united and they want economic activity.

I welcome the five-point proposal that the hon. leader on behalf of his party presented on Friday. Just to go through them, the first one was the 5 per cent minimum down payment for first-time home buyers. That was under active consideration. It was announced today by my colleague, the minister responsible for housing.

The second point was to permit the use of \$7,500 from RRSPs for first-time home purchasers. I can tell the hon. Leader of the Opposition that that is under active consideration.

He talked about intensifying basic skills and training initiatives. I want to remind the hon. Leader of the Opposition that in 1991-92 we are spending \$3.1 billion on training programs and \$3.4 billion for 1993-94.

The other measure suggesting emergency federal funding for food banks and the larger one of the shared cost infrastructure improvements, those issues have been floated around for consideration. Those points were raised at the First Ministers' Conference.

The hon. leader may want to indicate how he would pay for this \$3 billion initiative when Canadians pretty well made up their minds that they are not prepared to accept higher taxes or higher deficits.

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, a very nice way to pay for that is to stimulate the economy in Canada. That will bring more revenue.

On Friday the Canadian Home Builders' Association said that if our program was to be implemented, the two parts of it, it would create 100,000 new jobs immediately and create 60,000 more new homes in Canada right now. I understand that to implement the second part of our proposal on housing with the use of RRSP money to pay the down payment on a house calls for a piece of legislation.

I would like to inform the Prime Minister and the Minister of Finance that if they want to introduce a piece of legislation now that will in fact complete the program on housing, we will make sure that this piece of legislation is passed in this House of Commons and in the Senate before the end of the week.

Hon. Don Mazankowski (Deputy Prime Minister and Minister of Finance): Mr. Speaker, that would be a change from the normal practice of the opposition and I welcome that very much.

Obviously the hon. Leader of the Opposition knows that there are some concerns about this particular aspect. We are trying to weigh some of the technical difficulties that might be addressed in a manner that would still provide for the usefulness of the RRSP proposal.

I might remind the hon. member, while I am on my feet, that housing starts in the fourth quarter are running at an average of 185,300 units per year. Housing affordability is at the best level it has been since the early 1980s. So there are many positive indicators.

The fact is that interest rates have come down enormously. Housing is an interest sensitive industry. I think the most important thing we can do for the housing industry is to keep interest rates down over the long term. That will provide stability and security for future home owners.

[*Translation*]

Hon. Jean Chrétien (Leader of the Opposition): Mr. Speaker, when the opposition offers to co-operate with the government, the government wants to make it into a partisan debate. I want to tell the Minister of Finance