

The Budget—Mr. Lalonde

The Government is committing an additional \$355 million to spur recovery in the housing industry. Five existing programs are being extended or expanded. These programs have all proven successful and support an industry that employs a large number of people and uses materials primarily made in Canada. Their expansion will create jobs in all parts of the country through the construction and renovation of housing units. I am also proposing a new housing tax incentive.

[Translation]

First, I am making available an additional \$120 million for the Canadian Home Renovation Plan. This program provides grants of up to \$3,000 to low- and middle-income Canadians wishing to renovate their homes.

Second, an additional \$40 million is being allocated over two years for the Residential Rehabilitation Assistance Program. This program is directed to the improvement and repair of sub-standard housing in designated areas.

Third, the annual allocation of social housing units is being increased by 2,500 units in 1983, which will maintain the total allocation at 25,000 units. This will provide additional support to the housing needs of low-income Canadians.

Fourth, an additional \$40 million is being committed for Indian on-reserve housing in 1983-84. This is supplementary to a special increase of \$22 million per year approved recently by the government, starting this year.

Fifth, I am allocating \$30 million more to the Canadian Home Ownership Stimulation Plan, which should be sufficient to extend this program until about the end of May. This program, introduced last June by my predecessor, has been highly successful. Over the past nine months, about 200,000 Canadians have benefited from the \$3,000 home ownership grants it provides.

The Minister responsible for the Canada Mortgage and Housing Corporation and the Minister of Indian Affairs and Northern Development will shortly provide more detailed information on these measures.

[English]

I am also announcing tonight important changes to the Registered Home Ownership Savings Plan to assist eligible individuals purchasing newly constructed homes. It is expected that this new tax incentive will provide about \$125 million to new homeowners.

RHOSPs were introduced as a tax-exempt savings vehicle designed to encourage Canadians to save towards a down payment on a home. Currently, tax deductible contributions up to a total of \$10,000 can be made to a RHOSP at the rate of up to \$1,000 per year. There are now more than half a million Canadians with RHOSPs. Individuals eligible to contribute to a RHOSP who buy newly constructed homes and associated furnishings before the end of 1984 will be able to deduct from taxable income in one lump sum the amount needed to bring their total deductions up to the \$10,000 limit.

Home buyers and others will need new furnishings in 1983. Canadians have delayed purchases of furnishings and appliances as a result of the uncertainty caused by the recession. I am therefore proposing a special, short-term incentive for RHOSP holders to spur consumption of these items. Rules governing the use of RHOSPs will be changed to allow once-and-for-all tax-free withdrawals in 1983 of any amount currently in a RHOSP for purchase of designated home furnishings or appliances, even where the holder does not take advantage of the above measure to buy a newly constructed home.

DIRECT SUPPORT FOR EMPLOYMENT

The measures I have just announced will create jobs in the private sector. But I am realistic. Unemployment is very high. It will take time for the employment effects of the Special Recovery Program and of the other measures I have just announced to be fully felt. We cannot turn our backs on those who are bearing the economic, social and human burdens of unemployment. That is why the Government has not only maintained social programs during the recession but acted to strengthen them and make them more effective.

● (2100)

I am proud to be associated with a Government that has not, despite intense fiscal pressures, forsaken its compassion or its obligation to support those Canadians who most need help. The Government has taken significant actions in the past ten months to contain the rise in unemployment. To reinforce these actions, I am announcing tonight a seven point package of new or expanded employment initiatives, requiring additional funding of \$710 million over the next two years. This new allocation will raise to \$1.5 billion the funds committed this year to support directly the creation of jobs for those Canadians most seriously affected by the recession. This is almost \$900 million more than last year. The Government will have in place in this fiscal year the largest program of direct support for job creation ever undertaken in Canada.

An additional \$280 million, of which \$180 million are new funds, will be provided for the expansion of the NEED program. Support will continue to be channelled through the private sector, federal departments, municipalities, voluntary organizations, labour unions and provincial Governments participating in the program. I am pleased to report that the private sector, and small businesses in particular, are making increasing use of the NEED program.

I invite the private sector to expand this use of the NEED program in the months to come.

Authorized spending on community employment under Section 38 of the Unemployment Insurance Act will be increased by \$100 million over the next two years. Under this program, workers who have been laid off may continue to receive benefits while voluntarily participating in productive activities of value to their community. A further \$150 million will be provided for increased spending on local employment-