

Supply

RRAP grants. As a result, the basic housing program in northern Manitoba, as in northern Saskatchewan, is coming to a standstill. People who were formerly able to take on some opportunity to help themselves are no longer being given that opportunity. Seventy per cent of the people who had previously been eligible for those programs have now been taken off the list. It is a clear example of just how topsy-turvy and self-destructive that kind of program really is. Those were the very people who saw in the RRAP program the opportunity to help themselves. It is going to set back housing needs in those northern areas to the point where it will take years to recover the momentum again.

The Government has sliced through what was beginning to develop into a major housing initiative in the northern parts of Canada, which is now being frozen to the point where it will take years to recover and reach the same state of achievement it once had.

Mr. McKnight: Mr. Speaker, I recognize the expertise in urban areas of the Member for Winnipeg-Fort Garry (Mr. Axworthy). I would like to point out that in the case of the people who made those applications, the person from northern Saskatchewan and the person from southern Saskatchewan, from Rouleau, who were mentioned by the Member for Spadina (Mr. Heap), it did not happen in the last two years or 18 months that someone did not have a septic tank or someone in southern Saskatchewan did not have plumbing. What happened was that under the previous program, scarce Canadian tax dollars were going to individuals who had annual incomes of over \$23,000. Loans were made to individuals with incomes of over \$23,000 while Canadians with low incomes, who were most in need, were denied access to this program because there was not enough money to go around.

● (1520)

The Hon. Member for Winnipeg—Fort Garry is, if anything, on the left side of centre of his Party, and surely he must recognize that if Canadian taxpayers have enough money to help Canadians who are most in need, that is where they would like to target their resources. I am familiar with the redevelopment in Winnipeg. I am also familiar with the lack of development in Cape Breton, rural areas of Newfoundland, Nova Scotia and British Columbia.

The Canadian taxpayers are not an unlimited resource. The decision has to be made to meet the needs of the two individuals from northern Manitoba and southern Saskatchewan whom the Member for Hamilton East (Ms. Copps) brought to our attention, so that they could also share. There are over 100,000 rental units in need of repair and over 100,000 ownership units in Canada in need of structural repair. There was not enough money under the Liberal program nor is there enough under this program to fix those units overnight. However, the decision has to be made to target for those Canadians who are most in need.

Mr. Axworthy: Mr. Speaker, I just want to make a quick response. If the Minister says that there is not enough money in those programs, why did he cut the funds back by 25 per cent? If there was not enough money originally, why did he reduce it even further rather than leaving it as it was?

Let me give an example. We were talking about people who simply want plumbing and sewage. The Minister talked about all those extravagant people in downtown Winnipeg receiving unnecessary loans. The cut-off rate we are dealing with is \$19,000. That sum of \$19,000 for a family living in the downtown area of Winnipeg is a bare minimum to get by. Therefore, they simply cannot afford to spend any extra capital to fix their houses, to fix the foundations and bring them up to standard unless they are eligible for RRAP. The Minister has taken that away from them.

That community was regenerating itself because people in that income level were prepared to put their time, effort and some of their scarce capital into improvements because they could get RRAP funds. They no longer can do so, and those neighbourhoods are being condemned to further deterioration. That is the real problem and the reason the social cost is becoming prohibitive. It will cost twice as much to fix up those neighbourhoods five years from now because the Minister did not leave the RRAP program alone. That is the problem.

Mr. Jim Hawkes (Calgary West): It is a pleasure to enter the debate on housing this afternoon and to follow the Member for Winnipeg—Fort Garry (Mr. Axworthy). I had asked him a question and he responded by talking about interest rates in Europe and England. The absence of any comment on the role of the federal Government in the creation of high interest rates was noticeable in his answer. The fact is that there is a correlation between the demand for loans and the cost of money.

It should come as no surprise that interest rates increase as a result of 17 years in office of a Government that has gradually increased its expenditures and increased its borrowing requirements to the point where one-third of its expenditures pays for that borrowed money. One has a sense of *déjà vu* when one listens to the Hon. Member. The Hon. Member is most eloquent when he asks for \$2 million or \$3 million more for Winnipeg. He had almost as many employees in his office as a Minister of the Crown as there are for 10 cabinet Ministers in our Government.

Mr. Axworthy: No. Mazankowski has more.

Mr. Hawkes: The use of borrowed taxpayers' money drove up the cost of mortgages for homeowners in this country. That is the kind of Member we had from Winnipeg—Fort Garry. The Hon. Member has lowered his sights substantially by asking for \$2 million or \$3 million more. He was a Minister pork-barrelling in hundreds of millions of dollars of borrowed money for his personal fiefdom while the rest of the country went to hell in a hand basket. That is the kind of Member we had from Winnipeg—Fort Garry. That is why the cost of