

*Income Tax*

this registered home savings plan as a cure-all for the housing crisis in Canada. I heard him say that this is going to be a revolutionary step, but instead it is only one of the gimmicks in his grab bag of tricks. I always considered the Minister of Finance to be a blue Liberal, but he is becoming a red one. Mr. Chairman, this is a poor way to become a red Liberal. Thank goodness he is not NDP because we certainly would not bring forth a program like this to solve the housing crisis.

When housing starts drop from a projected 210,000 down to 170,000 in November, December and January, the government should be taking steps to correct the situation. Surely the minister cannot claim that this measure will increase the flow of money into the mortgage field, cut the decline in housing starts, and decrease the cost of money? I should like him to explain how the program will effect an increase in starts and how it could decrease the price of housing.

The minister tried to avoid this question this morning when I indicated to him the serious drops in land assembly, co-operative housing and public housing in Ontario. The minister helps to frame the budget of CMHC and helps to allocate the distribution of those moneys, but this morning he was not aware of the serious drops in the three groups I have named. Somebody has to accept responsibility, and if it is not the Minister of State for Urban Affairs then it must be the Minister of Finance. I should like him to tell us how this measure is going to help mortgage funds, increase starts and bring down the cost of housing.

**Mr. Turner (Ottawa-Carleton):** Mr. Chairman, on several occasions the hon. gentleman has heard the initiatives of the Minister of State for Urban Affairs enunciated. When we get this bill under way we will get into the AHOP legislation and some of the other leverage legislation which will allow the private market to get in here. This will help the housing market in two ways. It is not a cure-all, and we never said it was. This is one measure particularly to help young people to save for their own accommodation. By doing that it converts some consumption into savings. It helps the demand for housing, which is slack at the moment, and the funds channelled into this plan will undoubtedly be invested in the mortgage market thus providing more funds for mortgages and having a beneficial effect on interest rates.

**Mr. Gilbert:** Can the minister tell the House what assurance he has that moneys directed into the registered home savings plan will be used for mortgage moneys? I do not see any such assurance in the legislation, and I believe that the banks and trust companies are going to direct the moneys into those investments that bring the highest return. They are surely not going to direct them into the Assisted Home Ownership Plan.

What will be accumulated in the first and second years is so small that it is hardly worth worrying about, Mr. Chairman. Surely the best approach would be to get the banks, trust companies and insurance companies to direct a percentage of their portfolios into housing. Then the government could specialize in social housing, public housing, co-operative housing and land assembly instead

[Mr. Gilbert.]

of taking the measures it is taking at the moment which harm these important fields.

**Mr. Turner (Ottawa-Carleton):** Mr. Chairman, that is exactly what we feel will happen with the increase in mortgage lending by the banks, insurance companies and the trust companies. And by the way the trust companies have indicated that funds from this source will be invested primarily in the mortgage market, attracted by the higher interest rates and subsidies under the AHOP plan to reduce them to concessional rates for those in need of assisted home ownership. The hon. gentleman should recall that the private market in mortgages has gone from \$2 billion to \$6 billion in four years. I want to assure him that this might work even better than he hopes, and we will have that money for social housing.

There have been discussions, Mr. Chairman, among the parties, and since we are close to four o'clock and the enterprising bill of the hon. member for Hamilton-Wentworth might not take too much time, if he concludes—

**Mr. Fairweather:** Is the bill or the hon. member enterprising?

**Mr. Turner (Ottawa-Carleton):** Everything the hon. member touches has a certain touch!

**Some hon. Members:** Explain.

**Mr. Turner (Ottawa-Carleton):** Perhaps if we conclude the private members' hour early the House would agree to revert to clause by clause consideration of this bill.

**Mr. Knowles (Winnipeg North Centre):** Mr. Chairman, it is correct that there have been discussions along those lines. We would be prepared to come back into committee of the whole and work like beavers on this bill with one proviso, that is, that we would not this day return to any of the clauses that were stood, the ones dealing with resource taxation and so on.

**Mr. Baldwin:** We feel the same way, Mr. Chairman. After the Minister of Finance sees how rapid progress is made, he may be persuaded to move this bill along rapidly too.

**Some hon. Members:** Oh, oh!

**Mr. Turner (Ottawa-Carleton):** I am all for that.

Progress reported.

**The Acting Speaker (Mrs. Morin):** It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, public bills, notices of motions and private bills.

• (1600)

Is it agreed that all bills preceding Bill C-373 shall stand?

**Some hon. Members:** Agreed.