

shunted to the back burner again, in terms of the priorities of this government? If that is the case, then perhaps we have reached the point where we are entitled to ask the Prime Minister (Mr. Trudeau) whether it is not time he appointed a minister of urban affairs with a bit more influence on his colleagues.

**Mr. Stanfield:** With a little more respect for him.

**Miss MacDonald:** The minister might tell us, when he responds in this debate, whether he has rescheduled a date for the meeting with provincial cabinet ministers, as he undertook to do in the telegram to them of last Friday when he said:

—I expect to be in a better position to suggest an alternate date towards the end of next week—

That means this week, and today is the last business day of this week.

—appreciating both the value and the urgency of this discussion to all concerned.

● (1220)

To date he has not done that. One wonders about the value and urgency which he attaches to it. The only other explanation I can suggest is that the minister really does not care what the provinces think about housing. Perhaps he has succumbed completely to the viewpoint of his chief adviser, the "know it all" president of CMHC who, clearly, would like the provinces and, one assumes, the municipalities too, to go away and let him run the whole show. We already have seen evidence of that attitude in the capital budget, with 60 per cent of the over-all allocation reserved to two programs, AHOP and Limited Dividend, in which the federal government deals directly with the marketplace without any requirement to consult other levels of government. Where it can, the federal government completely ignores dealing with the provincial and municipal governments in a field as sensitive as housing.

If that is his new philosophy, then I say to the minister that he is on a dangerous course—indeed, a disastrous one in so far as the housing needs of the Canadian people are concerned. It is not an issue of constitutional supremacy; it is a sheer question of what will work to produce houses for Canadians. I have no hesitation in saying that even a man of Mr. Teron's self-confidence simply is not going to be able to run roughshod over the needs and wishes of our other two levels of government. It may feed his ego to try it, but it will be at the cost of housing for Canadians.

A new "we know best" strategy is not what we need at this point to get residential construction back on the rails in this country. What we do need is a major, concerted effort by all levels of government to deal with the two basic housing problems now facing our country. We need effective policies to stimulate housing supply, to get more units built and to get them built as quickly as possible, and we need better policies to ease the impact of a national high interest rate policy on the housing market.

In so far as housing supply is concerned, one area where the federal government can and should increase its support is in bringing more serviced land onto the market. A shortage of serviced land has been a chronic problem of the Canadian housing industry, particularly in the major urban areas. I realize that CMHC now has a municipal

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infrastructure program, but even the minister, I am sure, would be forced to admit that it does not begin to meet the need in this area. Indeed, I understand that the government of Ontario alone could use another \$100 million this year to bring onto the market land which is ready for servicing and development if funding were available.

I would suggest, too, that the current Assisted Home Ownership Program, including the new elements about which the minister boasted so glowingly last fall, simply is not doing the job. Certainly, it is not producing anywhere near the flow of private funds into the mortgage market which the minister so confidently predicted it would earlier this year. I believe there are a number of reasons why it is not doing the job. I understand, for example, that without an adequate secondary mortgage market, and we come back again to the inexplicable delay by the government in getting its own vehicle into operation in this area, and there has been no explanation for this delay, after a year and a half, by either the minister in charge of housing or the Minister of Finance—

**Mr. Stanfield:** It is an insult to parliament.

**Miss MacDonald:** He is waiting for more defeated Liberal candidates. Without such a secondary mortgage market, some institutions simply will not accept the 35-year amortization which the minister and his officials insist on under the current AHOP program. But beyond that, Mr. Speaker, I would suggest that a large part of the problem with AHOP is that it is stifled by bureaucratic red tape. The minister and his officials just cannot seem to resist the temptation to set as many rules and regulations as they can dream up, so we have artificial income limits established on top of unrealistic maximum house prices.

I am not suggesting that the program should not have any limits, but I am saying that a simple guideline in terms of the maximum amount of a mortgage to be supported by this kind of interest subsidy would have done the job in a way that would not discourage so many Canadians from even trying to participate in it.

A third kind of initiative the government could take, and one we have advocated for many months, is to allow at least some part of the cost of mortgage interest as a deductible expense for income tax purposes. Our party during the last campaign advocated that such costs above 8 per cent—which used to be an average mortgage rate until inflation broke loose under this government—be deductible up to a maximum of \$1,000. A program like that would not be overly expensive but it would be extremely helpful to Canadians trying to carry the very high costs of home ownership in today's economy. It would have considerable symbolic value, too, Mr. Speaker, as an indication that the government and the Minister of Finance at least rate home ownership as important in individual investment terms as speculating on the stock market.

Mr. Speaker, there are areas where the government can take effective action to help meet the housing needs of the Canadian people. Programs can be undertaken in this area without adding new inflationary pressures to our economy but which will have significant benefits in terms of stimulating employment and economic recovery. What is missing from this government is the will to act and a degree of concern which gives housing a reasonable place in the