

taken. This man had almost been ruined. His credit rating at the bank was gone. The money which was deemed as having to be paid almost put him into bankruptcy. He almost became a broken man wondering how he would help his sons to set up their farms. And, all those agonizing years are still to be remembered.

I ask the minister: Is there any place for such legislation in our country? I would like to see deemed income taken out of the act so such situations will never occur in Canada again.

Mrs. Mitchell: Mr. Chairman, I would like to speak about Bill C-54 as it applies to the tax policies which affect, in a rather negative way, housing prices in Canada today. In particular, I hope the minister and his government will explain how MURB tax write-offs, which are a part of this legislation, will help solve the housing prices faced by Canadians who are tenants, many of whom have no choice but to remain as tenants.

I would like to ask what steps the government plans to take in its taxation policy to slow down the spiralling costs of homes and to cool the excessive speculation which is taking place in cities like Vancouver and the other six cities in Canada which have zero vacancy. These speculators are exploiting the current housing situation. Finally, I hope to convince the Minister of Finance and his colleagues that, in view of high housing prices in Canada, which have been created largely by drastically high interest rates, action must be taken very soon to implement a national economic recovery program in the housing sector, a program which we in the NDP believe should be a top priority in economic and social planning in Canada.

● (2140)

Before I proceed with specific questions on Bill C-54 I should like to repeat what we believe must be the basic housing philosophy for Canadians. Instead of leasing from the private sector and being faced with the impossible housing crisis which we have today, we believe that decent, affordable shelter, whether rental or home ownership, is a basic need and right of all Canadians.

This means we must have government planning, and we must have it now. We hope most Canadians will be able to raise families in homes they own.

Contrary to the myth the Conservatives put out today, the NDP does not believe there are no property rights for Canadians. We believe very much that it would be highly desirable for most Canadians to own their own homes, not necessarily large luxurious homes on very large lots but at least homes with three bedrooms and outdoor space costing no more than 25 per cent of an individual's income. Unfortunately, we all know that under the present policies of the Liberal government and those of the former Conservative government, home ownership is only a dream for young people in Canada today.

Who can afford a downpayment, much less the exorbitant monthly payments caused by very high interest rates, which are now up to 15 per cent or 16 per cent on what have to be short-term mortgages these days? In the city I come from it

Income Tax Act

takes not just two wage earners but three wage earners to begin to get enough money together to make the monthly payments. It also means, of course, that those who are making payments on homes will not own them in their lifetimes.

Many people who were trapped into short-term mortgages and AHOP-type mortgage plans have been faced with foreclosures or, in AHOP cases, people sometimes just walked away because they could not afford to keep up payments on renewed mortgages at the increased rates.

The only people in Canada who have any housing security are those lucky enough to own their homes outright. I should like to say that this is not the situation with high income families alone. I spoke about this in the House already today, and I also spent a good deal of time with people from Newfoundland, most of whom own their homes in the little fishing villages of the northern peninsula. It is a shocking indictment of the Liberal government, and in particular the minister responsible for CMHC, that the RRAP home repair program in those communities has been terminated without notice. Many of these people own their small cottages outright, and had repaired them as a hedge against inflation.

What has the government done for home owners, Mr. Chairman? Nothing very much since the last budget, certainly. Will the government intervene in the desperate economic situation that exists in many cities in an effort to de-escalate speculation in housing? Many times in this House I have given examples of what happens in the greater Vancouver region, which I represent. We also know that because of the housing shortage in cities like St. John's, Calgary and Vancouver, prices are escalating far beyond the real value of the homes. Every day I hear about a house bought in the morning and sold in the afternoon with a commission of sometimes as much as \$15,000 going to a real estate agent, if the sale is in my city. We have asked the Minister of Finance to do something about this. We hope he will consider it as part of taxation policy. We think it is absolutely essential that steps be taken to de-escalate and control this form of speculation. It seems to us that the sensible course would be to increase the capital gains tax on homes other than primary residences from 50 to 100 per cent. People speculating in housing prices and who are exploiting the situation by reaping huge profits are putting the price of housing up every time there is a resale.

Just this week in the House I asked the minister to do something about this situation. He said that his answer, in the interest of brevity, was "no". He did not give any reason, so I hope he will give one tonight. As far as I can make out, he has not given consideration to some of the views of CMHC officials or those of the minister responsible for CMHC. It is absolutely essential that alternatives be offered so that there can be some control over this immoral speculation in housing.

I also asked the minister responsible for CMHC to assist with land-banking programs in municipalities. He could start today by granting some requests such as those made recently by the mayor of Vancouver and by using some of the funds left in the community service grants program. He has refused to accede to the request of the mayor of Vancouver for \$15