

Mortgage Tax Credit

An hon. Member: Come to my riding and say that.

Mr. Axworthy: If the hon. member wants me to come to his riding, I will ask him right now to issue an invitation. I will be there as soon as I can.

An hon. Member: Your leader came there.

Mr. Axworthy: Issue an invitation, get the meeting hall and I will be there. Let us do it next week. I have the time; you pay for the hall.

An hon. Member: Come down and call my people fools.

Mr. Axworthy: If the hon. member wants a meeting, he can hire the hall and I will be there. Perhaps he can be quiet for the rest of my remarks this evening and we can debate it in his constituency.

The fact of the matter is that we have proven and shown that this proposal does nothing to create new home owners. In fact in the last few months we have scared people away. Furthermore, when we talk about stimulating the economy, we can only double over in laughter at that one. The Minister of Finance, in his old standup routine, pulled out a statement from David Greenspan, who, he said, was a lawyer consultant. He said, "My God, the Liberals paid money to him and look what he had to say about how wonderful the scheme is".

I should like to read something said by a Tory consultant who had a few comments to make about the mortgage credit plan. I am referring to Mr. Larry Smith who is the analyst of the Tory government. He was just hired to examine CMHC. Do we know what he had to say? He said that the Tories have added a grotesque new twist, that if one saves up enough money to pay off one's mortgage—that if you stay in debt, that is good, because one can deduct the loan charges. But he said that it would have been far cheaper to provide outright government grants for would-be home owners to meet their down payments, rather than going through this whole exercise of a mortgage credit plan. Those comments were made by a Tory consultant to whom the government is paying good money to analyse its housing programs.

If Mr. Greenspan can be pulled out on the carpet for evidence, we can pull out Mr. Smith. Obviously the Tories felt he was good enough to examine their entire housing program. He said that the mortgage tax credit program put forward by the government is inefficient, does not make sense, and is bad economic policy. Either they should change their consultant, or start listening to him and getting proper value for their money. Their consultant is telling them what is wrong with the program.

An hon. Member: You will take all the advice you can get.

Mr. Axworthy: I will take all the advice I can get. The Minister of Finance, with great glee, was prepared to take advice from a Liberal. The only thing is that he chose the wrong Liberal from whom to take his advice. We are suggesting that now they have a newly minted consultant paid for by

[Mr. Axworthy.]

them. They should follow their own advice and take some information from him.

Some hon. Members: Oh, oh!

Mr. Axworthy: Also it is interesting that the Minister of Finance said that we will get a lot of jobs out of this, that it will be wonderful for the economy, and that it would be great. But one should look at the figures and read what the president of CMHC said: "In order to meet the demand this year, we will need 235,000 units of housing." Do you know what the expected projection is for this year? It is 170,000 units of housing, almost 60,000 short of what we are going to require. What a wonderful benefit this program has been.

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Again it is the product of Tory policy, and again members from this side have been arguing since Parliament opened, saying that because of our high interest rates the housing market is in deep trouble. Builders are not building any more. They are simply not making the commitments. On doing a cross country interview and talking to members of HUDAC in every province, they indicated that housing starts again next spring will be down close to 20 per cent, and that we will fall far short of what we need.

What is far more drastic is that the rental market in Canada, the market that supplies accommodation for the young and the old, has already fallen 30 per cent this year and has come to a dead stop. When members of this House ask what the government is going to do about that, again the minister responsible for housing, a man for whom I have acquired great admiration, and also great sympathy, because of the job he has, says he knows this is a problem. He got up in the House on Thursday and said, "I admit the rental market is in a serious, grave situation but we have no proposals to offer."

The reason they do not have any proposal is because all the money is being gobbled up by that big turkey called the mortgage tax credit program. That is the big Christmas turkey the Canadian public is going to be given. We will not have any rental housing in Canada but we will have a mortgage tax credit program which only has benefit for 32 per cent of Canadians. You call that fair and equitable? Is that what we are to consider to be Tory programs and policies today—they propose to ignore the accommodation that is necessary for close to 40 per cent of Canadians for the sake of living up to one of Mr. Clark's silly campaign promises? Is that what we are to call good government?

It was interesting to note an article by one of the columnists the other day who said that the problem with the Prime Minister is that he has not stopped campaigning yet. He does not realize he is head of a government. He still thinks every-time he gets up on his feet he has to make another campaign speech. He wrote, "Isn't it about time he started recognizing that he has a country to govern, that he has to make some hard decisions, and that he has to establish some priorities? Is it not about time that he—"