

around Toronto in particular, and to a large extent around Vancouver. It is raising prices to the point where people, even those in the middle income bracket, cannot buy a home. Only those who already own a home can acquire another. I am convinced that the situation is one which the Minister of Finance (Mr. Turner) should review to determine whether there is some way in which we can use our taxing mechanisms to reduce the speculation that is now going on and which is affecting the well-being of the house-buying public, particularly in Ontario and British Columbia.

Before going on to the subject of this motion, the demonstration program, I want to discuss for a moment the kinds of solutions which were proposed in this and yesterday's debate by the official opposition. There are several that were repeated in the various speeches. The 11 per cent sales tax is a favourite. They want it removed. Although it would clearly benefit some home owners, it would without question be of much greater benefit to huge areas of our economy such as supermarket builders and gas station builders who have no need for this tax exemption.

Another favourite solution proposed by members opposite would allow individual home owners to deduct mortgage interest rates from their income tax. Obviously, this would be a wonderful thing for anyone who owns a house. However, it happens to be the case that people who own houses are earning larger capital gains than anyone else in the country. People who bought houses are among the most fortunate people in this country; their homes are worth far more than they paid for them. However, the Conservative Party seems to be pushing for a policy which would in effect have the taxpayers of Canada subsidize this very favoured group who are already making an enormous profit.

They further suggest we should lower the interest rates on all CMHC loans. The policy which the minister has had in effect for a number of months, since the adoption of the legislation last summer, permits persons earning salaries of less than \$11,000 an interest subsidy. In these instances we are reducing interest rates.

The same argument which I have used for disallowing mortgage interest payments for income tax purposes applies to lowering interest rates. As the former member for Fort William-Port Arthur wrote a few weeks ago, the question of lowering interest rates at the expense of the Canadian taxpayer to favour home purchasers does not stand up to scrutiny, because when these people buy their homes they are getting the best possible buy in Canada. They are getting a hedge against inflation and they will inevitably end up with a very substantial capital gain. How could anyone, in conscience, justify the taxpayers of Canada subsidizing interest rates for somebody who is going to make a very substantial capital gain on an investment? It cannot be justified.

In a rather novel interjection this afternoon, the hon. member for Saint-Hyacinthe blamed the federal government for all urban housing problems. Yet in the same breath he would deny the federal government any jurisdiction whatsoever as far as urban affairs is concerned. This series of positions is apparently the policy on housing of the official opposition. They are really the only concrete

Urban Affairs

suggestions which have appeared in these last two days of debate. I stand to be corrected, but I do not remember the opposition making any other specific suggestions. They have talked about interest rates, the 11 per cent sales tax and deducting mortgage interest payments from income tax. However, they have not made any other suggestion except to denigrate this program of urban innovation which they somehow find repulsive.

● (1740)

The urban demonstration program can be tied to existing and new federal programs as well as to provincial and municipal programs. The program is extremely flexible. It will allow federal initiative without the usual constraints, although we shall consult, obviously, with provinces in which any project will be located. But we shall be able to do these things quickly.

Yesterday I felt the reaction of the official opposition was simply the result of neglect to study the program which the minister had announced. But when they turned around last night and proposed a motion of non-confidence in this program, they thrust the whole weight of the party behind their opposition to it. It was not only the hon. member for Calgary North sounding off without having studied the proposal adequately; it was the official opposition taking a united stand against a progressive program which will promote new ideas and bring forth new solutions to problems which affect us all for the benefit of Canadians and the world.

Mr. Speaker: Order.

Mr. Allan B. McKinnon (Victoria): Mr. Speaker, it is usual in a debate of this kind for a member to comment on the speech of the hon. member who preceded him. I find it difficult to review the remarks of the hon. member for Laprairie (Mr. Watson). When he tells us that young Canadians are in great shape because they can buy houses, and houses are such a wonderful bargain, his logic escapes me. I think that the product of any part of the economy in which unit prices have doubled in the last few years is hardly a bargain, unless the hon. member is trying to sell the argument that inflation is good and should be pursued as an object of desire—a view which would be contrary to that held by most people who are trying to get by on low incomes or even on moderate incomes. I am shocked that someone who presumably represents the Liberal Party should come out with such a thesis.

I listened with some pleasure to the minister this afternoon as he extolled the virtues of this \$100 million program. He suggested that one of the great things he was going to do involved an experiment in the disposal of human waste in metropolitan Toronto. I hope he will not put too much of the \$100 million into that project. The subject has already been covered by Jonathan Swift as described in *Gulliver's Travels*, the voyage to Laputa. A professor at the Grand Academy of Lagado worked on this project year in and year out, and his only expense was a new barrel of that material every month.

The problem of housing in Canada is one of the most serious facing us today. There are countervailing forces working. Many young people come to members of parliament for advice as to whether they should invest their