

all Canadians will be better off, and I mean "all Canadians". We have to rid ourselves of this regional disparity.

The housing market is crucial to the economy as a whole. Our goal on this side of the House is to help Canadian home owners and see more Canadians becoming home owners. Unlike the New Democratic Party, and the Liberals in some cases, we believe that the ownership of property should be entrenched in the Charter of Rights. We believe that every man or woman should have the right to own a part of this country. This is why millions of people emigrated to this country. The housing sector is a vital, important employer. Every housing start represents 2.5 jobs, and the lack of jobs is the main problem facing Canadians today. We cannot allow this vital sector to erode any more than it has.

Housing starts in 1983 were 179,000, and the projected rate for this year is only 135,000. For workers in the construction industry, the unemployment rate, seasonally adjusted for May, was 23.8 per cent. The five-year mortgage rate has climbed two points to 14.5 per cent since the February Budget. Two percentage points on the average Canadian 20-year mortgage means a home owner pays an additional \$16,231. Yet, despite the severe limitations of the Bill, the bitter irony is that it should have been introduced six months ago. Even back dating it to March 1 is only providing token relief to Canadians.

Mainly the Government's mismanagement of the economy aggravates a worsening problem for the Canadian people. There is no relief in sight. Interest rates continue to climb. Unemployment climbs to above 11.7 per cent. The Canadian dollar falls to below 77 cents. High interest rates on mortgages have an impact on the price of housing in Canada. During the fourth quarter of 1983, the average sale price of a house in Canada was \$76,800. If we look at a 10 per cent down payment, plus property taxes of about \$1,200, while bearing in mind that total payments for principal, interest and taxes should not exceed 30 per cent of one's gross income, Canadians now need a family income of \$36,200 to pay the average price for a home in Canada. In Toronto, Mr. Speaker, people need a family income of \$46,000 to be able to afford the average price of a home at \$100,300. A home in my area, in Vancouver, would cost \$114,000, requiring a family income of \$52,000. We do not even make that much.

● (2115)

In the face of all that, the much ballyhooed government assistance program, fraught with deficiencies, seems so inappropriate. It is a step in the right direction, but not enough. The maximum of \$70,000 is not high enough, especially when you consider the various regions. The Vancouver area is one example. How was the 2 per cent limit arrived at? Could it be because only once in the last 33 years, that is from 1980 to September, 1981, did a five-year mortgage increase above 2 per cent? That may be the reason but we on this side of the House would like to know how it was arrived at. The fact that the protection fee of 1.5 per cent is the same whether you take out a one, three or five-year mortgage does not make sense either.

Adjournment Debate

I take no joy in the fears I expressed on May 10, nor in what I am saying right now. Therefore, will the Government not admit to the serious problems faced by the housing industry and move to address them? Every Canadian has the right to a job and the right to the chance of owning a home. These are the pillars of our society. These are the dreams, the hopes and aspirations of every Canadian and they are being taken away because of mismanagement by the Government. I urge the Government to reassess its position. It has done nothing with the selection of its new leader from Bay Street. He is in bed with the banks and the CPR. I call on the Government to call an election immediately.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, as you are aware, legislation for the Mortgage Rate Protection Program has been introduced in the House of Commons. Before its introduction, the Minister of Finance (Mr. Lalonde) and the Minister responsible for Canada Mortgage and Housing Corporation and their officials were actively involved in intensive consultations with the housing industry, with consumers' representatives and with lenders. This consultative process was surely the best way to develop and implement this budgetary proposal. The basic purpose of the Government's proposed Mortgage Rate Protection Program is to offer security against severe financial disruption due to sharp increases in interest rates. By limiting an individual's exposure to extreme volatility in mortgage rates, the program will help to encourage more individuals to buy houses, including newly-constructed dwellings, and will contribute to the stability and growth of the residential construction industry. The degree of protection provided by the program can be very large if mortgage rates should increase dramatically.

In considering this measure, the Ministers involved have attempted to ensure that the mortgage market remains as viable and responsive in the future as it has in the past. We certainly would not want to approve measures that would have the effect of increasing the cost of mortgages, decreasing the availability of mortgage funds or reducing the range of instruments available. Indeed, the various measures in the Budget related to mortgages are expected to improve the security of home owners and prospective home buyers and increase the flexibility of the mortgage market. In view of the extensive consultations and the wide support the Mortgage Rate Protection Program has received, it is hoped that the legislation will be passed expeditiously. In addition, the Mortgage Rate Protection Program legislation is to be retroactive to March 1, 1984, so that delays resulting from the consultation process would not prevent home owners from obtaining protection.

The Hon. Member mentioned that property rights should be enshrined in the Constitution for every Canadian. I have to remind him that those rights are within provincial jurisdiction. If he wants those rights enshrined, he should have the provinces give up the authority to the federal Government so we can proceed with this provision for all Canadians.