

### Housing

lobbyists. They represented all political parties. They are the working class—that's the picture—who generate the Canadian economy and the tax base that is so often wasted by this government. That is the kind of people they are.

Some of this group came to Ottawa. What were they met with? They were met with riot sticks. These ordinary working Canadians were shocked at the state of the democracy, the state of this economy, as I and every member of this House is shocked. They stood at that meeting and demanded that the government do something. They cried. Grown men stood and cried in front of these microphones. There was no one in that room who did not see those tears. Worst of all, many sat despondent in silence, without hope, knowing that signing the petition probably would not work. Some of them would not even bother.

Sitting in that group were Dennis and Ruth Tkach. They signed the petition. They went out and gathered more names on the petition. They wrote to the minister. They tried to get him on the free line, but could not get through. They held their breath waiting for the budget, waiting for hope, waiting for a promise of help that never came. Their house is up for sale. They hope it will sell before it is foreclosed. They have lost. It seems to me I heard someone in this chamber say that no one was going to lose. Now it has happened.

**Mr. Gauthier:** That's not parliamentary.

**Mr. Wenman:** It is not parliamentary, but I hope it has some effect on you.

**Mr. Gauthier:** Complete your speech.

**Mr. Wenman:** I am making my speech. I am sorry it is not important to you. What did the people who came to that meeting think? What did they say about the budget? What do the professionals say? I asked the Fraser Valley Real Estate Board what it will do. I asked it to look at the new proposals the minister had come out with and tell me whether they would provide more housing. What did the professionals in this area say? They said:

The budget proposals will have a negative effect on both the supply of rental properties and the quality of existing rental accommodation, thereby adding additional pressure to this area of housing.

The budget proposals may not increase tax revenues; in fact a decreased volume of activity in new construction and resale markets may actually reduce the amount of income which will be taxed.

The budget proposals will likely cause increased ownership of Canadian real estate by foreign investors—

I thought the minister was concerned about that.

—as well as wealthy corporations and individuals.

The budget proposals will increase unemployment in the construction and real estate related industries.

Internal asset reorganizations on a roll-over basis have been made virtually impossible if real estate inventory is involved.

That is what the professionals are saying, those in the field. The minister says that something will be done about rentals. Well, that is what the professionals say his program does.

The government brings in this bill in order to give help, but what kind of help? When the bill first came in, I thought maybe it would provide some help. Then I looked at the qualifications. You have to spend over 30 per cent of your income and you must have a minimum percentage of equity. Who is going to be helped? I suggest almost no one.

The people who will be helped are those who are already on their way down. They have no incentive to stay in the house anyway. Why should they stay in that house, pay their taxes and so forth after they have lost their investment? That just amounts to high-priced rent, so why stay? Why accept this theoretical goodie? This is too late, for the wrong people at the wrong time.

This program is a "time buying" program. That is what they are hoping. Let us see what is going to happen in time. The bank rate announced today tells us what is happening. The Bank rate this week is 14.87 per cent, up from last week. The rate on six-month treasury bills was 15.44 per cent, up again in six months. The rate on one-year bills is 16.26 per cent. In other words, this is buying time at a higher interest rate. That is the way it will go unless this government does something about it.

Could mortgage interest deductibility work. That would drop interest rates in a specific area to 14 per cent or 15 per cent. Could this be done? It was proposed in a budget. The Conservative budget made it possible. The Conservatives put it in a budgetary process that would have been brought forward but for the socialists, the NDP, who defeated that proposal of mortgage interest deductibility in this House of Commons.

**Mr. Deans:** The public defeated it.

**Mr. Wenman:** Instead we have the bill that is now before us. That is their choice. My petitioners asked for lower interest rates. Can interest rates be lowered? First we had the excuse that we had to keep pace with United States rates. Then the interest rate went to a four to six point spread. We have had 4 to 6 point spreads before. We can lower interest rates if we want. If we were to lower the interest rate a little bit, even if the dollar dropped, not only would it help housing, it would help unemployment and our export industry. It is true we would have to accept some inflation, but the way the nation is hurting today, that is the only alternative.

**Mr. Kelly:** How much is some—2 per cent, 5 per cent?

● (2130)

**Mr. Wenman:** To start out with we have to make housing affordable; it must be lowered to that point of affordability. Affordability is the point at which people can qualify. I said we can do it in the housing program through mortgage interest deductibility. If the government does not want to go all the way it can start with one program. It will not know the market reaction until it tries it, and it is about time the government did try it. I think it would be healthy to have a lower interest rate and to drop the dollar at this moment. I think it would help British Columbia in particular.