

Housing

our housing requirements. The average vacancy rate across Canada last fall was 1.2 per cent. It was as low as zero in Oshawa, the home of the Leader of the New Democratic Party (Mr. Broadbent), and about 0.3 per cent in Toronto, the home of the minister responsible for housing. That is the problem we have. It is more acute in other places. In Ottawa the vacancy rate has fallen from 4.2 per cent in April 1980, to 0.6 per cent in 1981. The major reason for that is the sharp decline in housing starts, that is clear. Why? Because of high interest rates. Surely there should be some substantial and meaningful program to meet the problem.

CMHC has told us, Mr. Speaker, that in the Ottawa-Hull area there is a need for 7,800 new units each year. In 1980, only 2,600 were built, and the data for the first ten months of 1981 would suggest that no more than 3,200 units will be built this year. Now the minister said earlier there were going to be 500 new units in this area. That would bring us up to 3,700, which is exactly half of the necessary requirement. That is the problem we face. What has the government done in the face of that? Well, the MURB program was cancelled in the budget, a program which increased our housing stock by approximately 25,000 units.

Mr. Cosgrove: We were following your example.

Mr. Baker (Nepean-Carleton): The minister says he was following our example. He speaks very well from his seat. The fact of the matter is, when we created that example the situation was not nearly as bad as it is today, and this is an indication of the lack of influence that he and other ministers had with the Minister of Finance (Mr. MacEachen) in that the MURB provision was removed. The fact of the matter is there will be 5,000 fewer social housing units created this year over last year. That is the housing program of a country in trouble.

Now, Mr. Speaker, interest rates have raised the cost of rental housing. I have figures here which indicate that, at current interest rates, a landlord in the Ottawa-Carleton area would have to charge in excess of \$800 per month for a new one-bedroom apartment just to break even. Until vacancy rates are either non-existent or rents go up, private-sector builders will not build, given the fact most people are unwilling to pay that much. At the same time, high interest rates affect the ability and desire of younger couples now renting to buy housing. The prospect of paying \$1,000 a month on the mortgage is not an attractive one to a couple now paying \$300 rent. Yet if that couple had purchased a home, their apartment would have been available to someone else. The reason the property tax credit was a good thing was that it encouraged home ownership. In the third quarter of 1981 the average cost of a home in Ottawa was \$69,000, which means a family income of about \$40,000 is needed for a person to be able to afford an average priced home here in Ottawa, given the 30 per cent income requirement.

What the \$7,500 per unit in this bill would mean is that an \$800 a month unit would be reduced to \$700. That is no

inducement to build and no answer to the housing requirements in this area. The 15,000 unit figure across the country does not attack the problem at all. That would not take care of metropolitan Toronto, and would not make a dent in the difficulties in metropolitan Vancouver. It would not even touch the problems in Montreal. So, Mr. Speaker, in terms of need, this is a baby step, a small move in the direction of addressing the problems affecting this country.

Finally, the mortgage deferral scheme means that what you do not pay today, you will pay tomorrow, with interest. Interest upon interest. When I was practising law we used to have professional bondsmen around the country who put up bail bonds for people at exorbitant interest rates. Before the people of this country look to this scheme as their salvation they should know what is going to happen. Interest upon interest.

The minister responsible for housing may be right when he says to himself, as I am sure he does when he shaves in the morning. "Well, I will not be here to see that." He is right, likely he will not be here to see what happens. But, that is what is going to happen, and many people who will get over this today by the deferral scheme, are going to see it added. I want to say, Mr. Speaker, that this program is so totally inadequate for the problems facing Canadians that no minister and no member of Parliament could feel proud of having advanced it. Thank you, Mr. Speaker.

Mr. Cosgrove: Complete nonsense.

[Translation]

The Acting Speaker (Mr. Ethier): Order, please. It being six o'clock, I do now leave the chair until eight o'clock.

At six o'clock, the House took recess.

[English]

AFTER RECESS

The House resumed at 8 p.m.

The Acting Speaker (Mr. Blaker): Order, please. When the House rose at six o'clock for the dinner hour, the hon. member for Nepean-Carleton (Mr. Baker) had completed his remarks, I believe. The Chair will now recognize the hon. member for Hamilton Mountain (Mr. Deans).

Some hon. Members: Hear, hear!

Mr. Ian Deans (Hamilton Mountain): Thank you very much. That is very kind. It is always nice to have a cheering section. I have a little problem with my voice tonight as I have a bit of a cold, so I do not want to strain it too much. I would appreciate it if hon. members would not interject.

I do not intend to speak at any great length on the bill, but I did think it would be important to put on the record some thoughts that I have with regard to this legislation as it affects housing for people all across the country, simply because of the fact that over the course of the last week and a half, I have been given the responsibility to keep an eye on the ministry of