

building them. Houses are being built which are much more expensive.

I think that at some particular point we must be able to consider a starter home, a home in which a new family can start, and when their circumstances improve they can move into something larger. I do not mean poor quality housing, but I mean a small, modest type of house. I think that is the kind of thing we must consider.

I say that the first principle is that we must anticipate that we will have a slower growth rate, and then we must provide alternatives to people in this country so that they will have hope and alternatives in quality living which do not demand a larger use of goods and services. The second point is that we must be very careful. The reason I belong to this party is that I believe very strongly that we have always held, as a small "I", liberal principle, not a nineteenth century Liberal principle, that if there are groups in our society which are, in some way or another, put under more strain than they can handle, then the state, the government, whether the provincial, the federal or the municipal government, must be able to provide some support. This is the essence of this bill. Much as I would like to see more in this bill, this is the essence of the bill. We should ensure that no one loses their homes because of quick, high interest rates and because they cannot make adjustments to survive. I emphasize the word "adjustment". That does not mean that people will not have a tougher time; I mean that they should not be asked to pay mortgages which rise from 20 per cent or 25 per cent of their total income to 40 per cent or 50 per cent of their total income, which this bill covers. I think that is a cardinal principle which we must keep.

It seems to me that those two principles are the ones we must consider for the future. We must consider the adjustment to a somewhat lower growth rate and provide incentives in the way of quality of life and a more stable type of environment. Second, we must ensure that no individuals, whether businessmen or families, are made to suffer unduly because of some of these changes.

Some hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[English]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Ethier): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Laval (Mr. Roy)—the Economy—Inquiry whether minister will meet provincial ministers to establish program to stimulate economic recovery; the hon. member for St. John's East (Mr. McGrath)—

Housing

Disasters—Sinking of *Ocean Ranger*—Lack of rescue craft.
(b) Introduction of legislation in United States Congress.

GOVERNMENT ORDERS

[English]

NATIONAL HOUSING ACT—CANADA MORTGAGE AND HOUSING CORPORATION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Cosgrove that Bill C-89, to amend the National Housing Act and the Canada Mortgage and Housing Corporation Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

The Acting Speaker (Mr. Ethier): The hon. member for York-Sunbury.

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, in my opinion, the basic reason for the crisis in housing in Canada today is high interest rates. High interest rates have created widespread unemployment in the building trades. Carpenters, electricians, plumbers, artisans, masons, bricklayers and labourers are unemployed in near record numbers. In the Atlantic provinces, three quarters of our lumber mills are closed and millworkers, lumberjacks and woodworkers are unemployed in very large numbers. Many businesses which have existed for generations by selling building products are now closed; their employees, too, have joined the lengthening ranks of unemployed Canadians who live in the Atlantic provinces.

According to CMHC, as many as 40,000 Canadian families may lose their homes this year because of high interest rates. Generally, a \$45,000-a-year income is needed for a person to be able to afford an average-priced home in Canada today. Serious shortages are developing in many centres. Housing starts in 1981 were barely one half the level needed to keep up with housing requirements. In terms of rental housing, this bill provides interest-free loans of \$7,500 per unit to a maximum of 15,000 units. What the \$7,500 a unit interest-free loan means is that rent for an \$800 a month unit would be reduced to \$700. It is a good measure, but its impact is restrained. The prospect of paying \$1,000 a month on a mortgage is not as attractive to a couple who can rent an apartment, if they can find one, for \$300 a month; yet, if that couple had purchased a home, their apartment would have been available to someone else.

The reason the mortgage interest and property tax deductibility plan of the Clark government was a good thing was that it encouraged home ownership. It would also have had the effect of stabilizing the rental market by increasing the supply to meet the demand and make rental units more competitive, thus lowering the price.