

Anti-Inflation Act

also a problem that is real, pressing and urgent all across Canada. There are few of us in this House who have not had the problem of rents brought forcibly to our attention. The provinces have repeatedly urged the government to take a lead in this fight against inflation.

● (1550)

I hope the government will not duck its mandate in the area of rents. Certainly, the provinces have prime jurisdiction, but the responsibility for leadership rests here in Ottawa. In this connection I hear rumours that the Minister of State for Urban Affairs (Mr. Danson) may convene a federal-provincial meeting to discuss this specific subject. This must go ahead. Surely this is an opportunity not to be missed.

Please don't let us hear, in effect, that the confusion in which that ministry has just been thrown by a restructuring of its hierarchy necessitates the passing up of this responsibility. Let us not say that the ministers of finance can handle this little item. It is a housing matter and should be dealt with by the ministers responsible for that function.

Is the government prepared to act like a government for Canadians, or will it once again relegate housing to a tag-end item for the financial mandarins? Will the Minister of State for Urban Affairs be given a chance to do his job, or will he have to keep sitting where this government's order of precedence puts him—on the sidelines? The answer to this question will tell Canada what priority this government really gives to one of the three essentials of human life—shelter.

This leads me, Mr. Speaker, to some of my broader concerns about the program that has been presented for our consideration. Everyone knows that inflation is not an indivisible, single-based problem. There are sectoral factors that must be considered. Housing is certainly one of those. Supply of accommodation, not just greed of landlords and owners, is the root of increasing housing costs. And in a major degree the supply of housing is determined by the effective cost of mortgage money. We now have mortgage rates that border on the usurious and put home ownership beyond the hope of all but a few. Those same rates make it uneconomic for business to build rental accommodation.

Does anyone here know of any unsubsidized rental housing being built, for instance, here in Ottawa? I can tell you that the amount of such construction across Canada is completely inadequate to meet the needs. Rent control will not solve the housing problem. More housing will. But that depends upon mortgage money being available at reasonable cost and in sufficient supply. The anti-inflation package is incomplete until it solves this problem.

What are the government's plans? Which of the many alternatives available does it propose to pursue? I have already suggested a range of programs that could be used. Mortgage interest payments over a fixed per cent—I suggest 8 per cent—could be deductible from income for tax purposes. Mortgages for new starts can be subsidized down to a fixed rate—here, again, I suggest 8 per cent—and an upper limit for each mortgage should of course be established. An investment tax credit could be given for funds directed entirely to mortgages. To help ensure the

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supply of serviced land, a fund could be established to provide low-cost loans to help municipalities in servicing and developing land.

We need to know what the government intends. Veiled and hazy comments about pleasant surprises to come are insufficient. Here, clearly, is a sector where specific, I might almost say concrete, government action is called for. We have heard rumours that new housing initiatives will be forthcoming. We await the completion of the dance of the mandarins to hear what they will tell the minister to say. But be forewarned. If the new strategy tries to take credit for the recycling of the approximately \$300 million already budgeted but not yet allocated from Central Mortgage and Housing, we will see through the deception. The problem cannot be settled by a rehash; it requires new thinking and new commitment.

The debilitating effect of interest rates has crippled not only the housing sector but is also a major contributing factor in perpetuating our prolonged economic slump. Business just cannot afford to invest in plant and equipment at current rates of interest; the need for working capital must go unfulfilled. We must know what monetary policies the government intends to pursue. Legislated controls are now necessary to fight inflation, but the rest of the government's weaponry must be brought to bear—and we must know how it intends to use these weapons.

Without a substantial improvement in the growth of our real national output, the attack on inflationary pressures can only achieve momentary success at best. What plants, what incentives, what help does the government propose to increase productivity? Our economic malaise requires clear and direct action. Our productivity declines; perhaps most importantly of all, it declines in comparison with our trading partners. How long does the government intend to allow our relative competitiveness to fall back? Sure we import some of the world's inflationary pressures, but how long will we compound this folly at home? Unless the anti-inflation packages deals with this problem, it is woefully incomplete.

How does the government intend to get the economy moving? Our plants are working far below capacity. We have hundreds of thousands of unemployed. This cannot be ignored and it cannot be solved by the government's usual answer of printing more money. What fiscal policy will be used? We hear that government spending will be restrained. Where, and how? The details of this aspect of the government's program are just as important as the details on the operation of controls.

How will the deficit be brought under some reasonable control? A strong policy of spending restraint, with detailed guidelines, must be instituted immediately. The President of the Treasury Board (Mr. Chrétien) must act, and he must tell us immediately what that action will be. I have said that I want to support the government in its anti-inflation program, but that program must be a total. No single initiative, however laudable, will suffice. I challenge the government to unveil the rest of its program.

Mr. Speaker, the country is looking for strong and immediate leadership in the war against inflation. But it also wants assurance that we are not about to see another 100 years war. I am skeptical that the weapons for battle