

Housing

of November 1981 predicted that only 180,000 units will be built in 1982, and now it looks as though that goal will not be attained. The shortage is 143,000 units over a three-year period, and we are discussing a bill which talks about \$7,500, interest free, per unit for 15,000 units in a nation which, as the previous speaker to me said, has close to zero vacancy rate across the land. Vacancy rates in most markets will approach zero by 1983 under the government's policies. This can only lead to a black market and to human tragedy and suffering on a scale which I never thought I would live to see.

Turning to the area of mortgage rates, I can remember back in the Thirtieth Parliament when the borrower's and depositor's bill was brought in. At that time the government tried to move term lending into medium-term lending. I remember the bill was withdrawn because we warned the government at that time that it was not matching things, that things had to have a match and a balance to sustain the system. We have seen a situation develop where the entire Canadian housing industry, the whole right to private property, was predicated on 25-year term money. This is what built it and gave everyone the right and the ability to afford homes. In the last five years that has been absolutely destroyed by the policies the government has allowed to creep into the system. Now the situation is such that employees, young people and middle-aged people across the land find themselves with a need to renew their mortgages every five years. Many of them are on a one-year basis, and some are on a three-year basis. The tragedy, worry and concern out there indeed are serious. I have had people come to me in our family business who are facing mortgage renewals and something like an additional \$280 to \$440 per month requirement from their income. Indeed this is serious. It is something that not even the business which provides their basic income can cover and handle. Yet there are innovative ways in which this dilemma could be resolved for the benefit of Canadians.

I should like to make a few remarks on interest rates. We are trapped in an inflationary condition, much of which is our own doing. Much of it also comes from elements offshore or cost-pushed elements offshore from Canada, but no one can tell me that the monetarist policies of the United States, as struck by the U.S. Federal reserve, to handle the interest rate, monetary and demand call problems of the United States, are the policies which we should be following in Canada; no way. The United States, through the Marshall plan following World War II, made a tremendous investment in Eurodollars into the reconstruction of Europe and of Japan. That foresightedness, which was predicted by John Maynard Keynes after World War I and was adopted in the Marshall plan after World War II, probably prevented another world clash as a result of the lack of ability to distribute equitably among the nations the raw materials and resources of the world. The monetarist policies of the United States, with its high interest rates, were designed for a United States need, not a Canadian need, yet the Bank of Canada and the Liberal federal government parrot that need, not understanding what is our problem in Canada.

Mr. Benjamin: But Wilson agrees with it.

Mr. Huntington: I hear from another economist in the NDP ranks who has all the answers. Perhaps the hon. member would be good enough to allow me to follow through with my thoughts because we might be able to make a breakthrough some day and resolve our Canadian dilemma without having to get into a lot of cheap shots and politics. The issue should be beyond any political barrier, it is that serious.

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In Canada we do not have the call of the Eurodollar on our treasury. What we do have is mobility of money through our foreign exchange reserve account. Canadian government policies have been aggravating that mobility, maybe knowingly or unknowingly. Canada has been going through an unbelievable concentration of ownership. Since February, 1980, we have been moving into a high degree of nationalization because of an insane desire to own everything in this country. This nationalization is being done at the expense of creating meaningful jobs within the Canadian system. That is the tragedy and the delivery which the government is giving the people of Canada. That is the tragedy which all young people coming into the work force are facing in this hour. Nowhere do we find the megaprojects started. Nowhere do we find the modernization of the transportation system being started. Nowhere do we find a "starting-to-move" with any degree of realism on that marvellous heritage that was ours by luck, by birth and by geography. Here we are, all snarled up by inflation and an interest rate that is just strangling the country. I am searching and trying to create some awareness of what our dilemma and problem is.

I personally believe that we can have low interest rates in Canada if we were to cool the call or liquidity on our foreign exchange reserves. We have high interest rates because we think we are competing with interest rates in the U.S. European markets. If that follows, why is it that interest rates in Switzerland are so much lower than in any other country in the world? The reason is Switzerland controls the movement of money in and out of its country.

Over the last year, the nationalization programs of Petro-Canada buying Petrofina for \$1.2 billion, Canadian Pacific Investments buying International Paper for over \$1 billion, and of buying this in Europe and buying Husky Oil in the United States, all of this corporate concentration and desire to have the ownership in the hands of the state has placed a demand of about \$20 billion and a call on our foreign exchange reserves account.

In Canada today we could have interest rates at or below the inflation rate with no liquidity in international movement if we addressed the problem of our international reserves. It would take something like \$60 billion to do so, but if we had \$60 billion added to our foreign reserve account, we could control our own destiny in Canada. From where are we going to get \$60 billion? I think hon. members across the way have a right to frown. But all we have to do is to take the heat and the