

*Housing*

that I sympathize with him because I believe he is trying to do a good job. However, he has a responsibility to Canadians to demonstrate that when he said he would resign if he were not able to deliver, he will take the honourable course and do so. If he is an honourable man, and I believe he is, then in the interests of Canadians and in order to get this government on the right course, he will tender his resignation in light of the abysmal failure of the budget to deal with the housing problems in the country.

**Some hon. Members:** Hear, hear!

**Mr. Gus Mitges (Grey-Simcoe):** Mr. Speaker, I am pleased to contribute to the debate on Bill C-89. This was intended to be a very important piece of legislation. It is one that home owners have been waiting for with some anticipation but it offers much too little much too late to those who have already lost their homes or have resigned themselves to losing their homes.

The very desperate situation that home owners and renters find themselves in today is the result of the government's refusal to change its high interest rate policy and its refusal to tackle the housing industry problem head on in a responsible and equitable way.

There is no question that the Minister of Public Works (Mr. Cosgrove) who is responsible for housing, missed an excellent opportunity to bring in legislation that would deal with the housing and high mortgage rates in a meaningful way. Instead, he and his colleagues in cabinet, including the Prime Minister (Mr. Trudeau) needlessly chose to raise the expectation of home owners about the kind of relief the government would offer. Those expectations soon turned to bitter disappointment. Even under very heavy pressure by members of the House and Canadians everywhere, the minister only responded by making several public statements to the effect that a major relief package was on the way if people would only hold on until the November 12 budget. By then, he said, Canadians would be offered relief. His colleagues thought that in this way the heat would be taken off the subject.

Just days before the budget was brought down, the minister denied that he had made any previous promises to the effect that the government had a comprehensive scheme in mind to help Canadians. There is no doubt in my mind, Mr. Speaker, that the aftermath of this was that the minister was heavily criticized in cabinet for supposedly giving budget secrets away.

The bill before us proves that the government's plans for relief for home owners, renters and the housing industry, should not be taken too seriously. It is very obvious that the government hopes to get away with paying token service to this ever-present problem by offering minor, short-term relief, all the while content to cross its fingers in the hope that inflation and interest rates will soon drop and that it can claim success.

When we look at the current problems facing the housing sector and the way the government has addressed them, it is clear that it is waiting for the storm to pass while refusing to deal with the problem itself.

There is no question that affordability and availability of houses in Canada are the two main areas where very serious problems have developed in the last few years.

In terms of availability of homes, it is quite clear that new housing starts are dropping far behind current demand and that this is resulting in increasing shortages. It has been estimated by Canada Mortgage and Housing Corporation and by the Housing and Urban Development Association of Canada that on average, Canada needs well over 200,000 new homes each year just to keep up with consumer demand. Yet, over the past four or five years, housing starts have consistently fallen far behind.

In 1977 we needed 256,000 units but 245,000 were constructed. The figures are worse each year. In 1978 we required 259,000 units but only 227,000 units were built. This trend continues today, Mr. Speaker. In 1981 we needed 265,000 units but only 170,000 units were produced. It is predicted that in 1982, housing starts will number about 135,000 while the actual need will be about 261,000 units. As you can readily see, Mr. Speaker, the situation is deteriorating very rapidly.

Availability in the rental or apartment sector is not much better. From the government's own figures and predictions as revealed in the CMHC document leaked last fall, it is clear how serious the problem is. The government predicts that by 1983, we will have a zero vacancy rate right across the country. However, if current trends continue we could well reach that by next summer. The national vacancy rate fell from 2.8 per cent in 1980 to 1.2 per cent in October, 1981. In some metropolitan areas the vacancy rate already stands at zero per cent. It is evident from all this that the situation continues to deteriorate at a very rapid pace.

The government has estimated that about 90,000 rental units per year are needed to meet our rental requirements, yet it seems unable to assist in a meaningful way any rental construction, outside government assisted rental housing projects. At least this appears to be the case, given the government's continued support of a high interest rate policy and a budget filled with disincentives for private investment to move into rental construction.

An example of this disincentive is the cancellation of the multiple residential building program. By killing this plan it is estimated that 20,000 fewer units will be started this year.

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In place of this very sensible program, the government introduced interest free loans of \$7,500 for each of the 15,000 units to be built in various areas of the country. This program does not even begin to meet the strong demand for rental housing in Canada, and the leaked CMHC document admitted that the rental market is drying up very quickly. The MURB program served rental construction needs much better than the government's replacement, given the fact that its goal of 15,000 units does not come close to meeting current or future demands.

When we turn to affordability of housing, it is quite clear that the dream of owning a home is becoming a genuine