

increases? Will he come home to his responsibilities, and will he help those Canadians in need?

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

**Mr. MacEachen:** The Leader of the Opposition has included a lot of political polemic in his so-called question, and he alluded to the Canadianization program which is part of the NEP and which is widely accepted by the Canadian people. He ought to remember the stand he took on Petro-Canada and which sent him down the chute.

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

**Mr. MacEachen:** I am telling you that if he takes the same attitude on the Canadianization program, he will have the same retreat into political oblivion.

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

#### EFFECT OF MONETARY POLICY ON HOUSING COSTS

**Hon. James A. McGrath (St. John's East):** Madam Speaker, I have a supplementary question for the Minister of Finance. Executives of HUDAC are presently meeting in Ottawa on what has been described as the worst housing crisis in Canadian history. The Conference Board of Canada estimates the cost of financing a single detached home will be 81 per cent higher this year than in 1979. That is a direct result of the government's monetary policy and high interest rates. People are being forced to sell their homes, with nowhere else to go because housing starts are going down and the vacancy rate in major cities is practically non-existent.

**Some hon. Members:** Order, order.

**Mr. McGrath:** Madam Speaker, that is a crisis, and it is clearly the responsibility of the government to face up to that critical situation. I ask the Minister of Finance, who is a compassionate man, what does he propose to do about it?

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** Madam Speaker, the hon. member has denounced the monetary policy being followed by the Government of Canada. What we are doing is supporting the monetary policy of the Governor of the Bank of Canada.

**Some hon. Members:** Oh, oh!

**Mr. MacEachen:** I would remind the hon. member that his colleague from St. John's West, in a speech not very long ago in this House, gave his support to Governor Bouey in the current circumstances, and that is the monetary policy we are supporting.

However, I would also remind the hon. member, before he gets carried away by a lot of intemperate inaccuracies, that housing starts, for example, were higher in April, 1981, than at any time since November, 1978. And the hon. member is totally wrong when he talks about the housing industry being in a state of crisis, because there has been considerable accel-

eration in the rate of housing starts in Canada at the present time.

● (1425)

#### SITUATION IN ATLANTIC PROVINCES

**Hon. James A. McGrath (St. John's East):** Madam Speaker, my supplementary question is directed to the same minister. It is true that the Governor of the Bank of Canada may be responsible for monetary policy, but the Minister of Finance and his colleagues are responsible for the welfare of Canadians, and the minister has failed to live up to that responsibility. Because of the critical situation we face today, people are being forced to sell their homes, and housing starts are beginning to decline at a rapid rate.

**Mr. MacEachen:** No. They are going up.

**Mr. McGrath:** We have been told that today. I want to put a position to the minister regarding our own region, the Atlantic provinces. The average industrial wage in Atlantic Canada this year will be just under \$16,500. The family income required to purchase a new home has increased from \$17,500 in 1979 to \$31,800 in 1981. Given these startling statistics, and given the fact that the people of the Atlantic provinces, more so than people in any other part of the country, want to own their own homes, what is the minister prepared to do to help the young people of his own region to satisfy their dreams and aspirations? Under him, the dream of home ownership is becoming a dream which will be unfulfilled.

**Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance):** No, Madam Speaker, I do not agree at all with the very pessimistic approach taken by the hon. member with respect to the possibility of home ownership in the country. Recently the statistics indicated a very sharp increase in the number of housing starts in Canada. I do not believe it is to anybody's benefit to create a false picture of what is the situation.

**Miss MacDonald:** Take off your rose-coloured glasses.

**Mr. MacEachen:** But I want to remind the hon. member of this point: no Canadian will ever have his dreams or aspirations fulfilled in the next five or ten years—

**Mr. Crosbie:** Under this government.

**Mr. MacEachen:** —unless the government, at the present time, takes the very difficult decision of doing the things that are required to arrest inflation in Canada.

**Mr. Clark:** Unless he is Maurice Strong.

**Mr. MacEachen:** If hon. members opposite want to ensure—

**Mr. Clark:** Pay for the pork-barrelling and ignore the home owner.