

poverty level. Fully 70 per cent of elderly seniors who are poor are women, something which reflects the inadequacy of the pension programs. These people are unable to afford proper housing.

Forty per cent of all renters in Canada start with an income below the poverty level. It is impossible for them to find adequate housing, particularly with escalating housing prices and rental costs. Poverty in Canada is no longer restricted to those who are on fixed incomes and are not working. Currently in Metropolitan Toronto, 18 per cent of all families who are working rely upon food banks to sustain themselves; 18 per cent of working families in a country as affluent as Canada. We should be ashamed of ourselves. The interest rate policy of this Government has been devastating for people trying to afford homes. Real estate boards calculate that an increase of 1 per cent in mortgage interest rates means that 200,000 additional Canadians are priced out of the ability to purchase a home. We have had interest rates go up by 2 per cent, 3 per cent and 4 per cent in the last two years. If you look at the number of Canadians who cannot now afford to purchase a home but who two or three years ago could have done so, for every 1 per cent increase in the mortgage rate adds at least \$100 to the average mortgage.

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What has the Government's response been to this? The Minister responsible for Housing has said that we have to learn to do more with less. If we are not doing a good job, give us a blast. He has instructed CMHC to stop talking about the 30 per cent rule. It used to be considered that anybody who was paying over 30 per cent of their total income for shelter was paying too much. Before, it was 25 per cent. Now the rule is 30 per cent. The Minister has instructed them not to talk about it because many Canadians are now paying 40 per cent, 50 per cent and even 70 per cent of their gross income for shelter.

After all the nice discussions, along comes the Budget followed by this borrowing Bill. A Budget is a blueprint for the Government. It sets out the Government's plan of how it is to deal with problems, what direction it is to take, what it wants to accomplish. Yet what do we have in this Budget? We have a callous attack on affordable housing. If a government sat down and designed a budget that would ensure that Canadians could not afford

housing, it could not have done a better job. What they have done is to turn a housing crisis into a deep institutionalized social problem where Canadians are being driven out of their homes onto the streets.

What in the Budget has created this situation? Let us look at it. First, the Budget has maintained the high interest rate policy, a policy which in itself significantly keeps the deficit up because of the servicing of our deficit.

Second, they brought in an immediate increase in the manufacturers' tax. This is the tax that the Minister has said would be so detrimental, and yet they have increased it to 13.5 per cent, driving up the price of housing by \$500 to \$700. Then the Government brought in a sales tax, or as they like to call it, a goods and service tax, which puts the price of housing up \$10,000 to \$20,000.

If we look at the matter of social housing, most countries in the western world have social housing programs that amount to 25 per cent or 30 per cent of their housing. Canada has 4 per cent. Even Hong Kong has 40 per cent of its housing stock in social housing. What has this Government done? First, it cuts back on its commitments on co-operative housing. It made a firm commitment to build a measly 5,000 units a year in 1986. This year they are only going to build 1,700. Provinces like British Columbia are only going to get 158 housing units. The Government has totally done away with the RRAP program which is the program that municipalities like Montreal used to upgrade housing so it would not be demolished or turned into expensive condominiums. The Government has bragged that it will spend \$100 million more on housing this year. That is because of the high interest rates, because they are paying more on their mortgage subsidy programs than they have in the past.

Finally, the Government has not dealt with the whole question of municipal infrastructure. In my riding of Surrey North, we have taken 60 per cent of all the building starts in the last five years, and we are bankrupt. The municipalities and Mayors have been after the Government to help fund municipal infrastructure for schools, for sewers and for sidewalks. We have 7,000 children in portable schools. Yet the Government will not, on a tri-Party basis, look at putting in money to allow for affordable housing, to allow the municipalities to provide the services that are needed.