

*Mortgage Tax Credit*

favour of sunset laws when it comes to other pieces of legislation.

If it is not a stimulative economic instrument, and if it will only add to inflation rather than reduce it, then perhaps we might think it has some merits either as a housing policy or as a social policy instead of just being a political move to appeal to the electorate. Again I am afraid to say that there are flaws in this bill which mitigate against it being a sound social policy and which mitigate against it being a sound housing policy.

● (2140)

With regard to the problem of acquiring housing that is faced by many Canadians, and this problem has been pointed out eloquently by other members, it will only create the illusion of an easier situation. Perhaps that was not intended by the government at the moment of conception of this plan. At that time they may not have been aware that interest rates would rise to the present level or that inflation would continue unabated after they got into power. Canadians who think that somehow by virtue of the passing of this legislation their economic situation will be radically improved, are either being misled or are in error. Their situation would not improve when taken in the whole context in which their economic situation would have to be judged.

As a major housing policy, it is inadequate. It is a big move. It is, however, directed at only a part, albeit a significant part, of the housing problem, and that is the affordability question for potential home owners and existing home owners who have an affordability problem even after their initial move to purchase a house.

This legislation ignores the needs of renters. That has been said before but needs to be said again. It does not meet the needs of the inner city housing situation where over 75 per cent of the households are renter households.

**An hon. Member:** Wouldn't they like to buy?

**Mr. Blaikie:** I will get to the question of whether people in the inner city would like to buy houses at a later point in my speech. We have a problem here that we often have when we talk about policy in this House, housing policy in particular. We try to talk about it as if the question of housing was a homogenous question, as if all housing questions dealt with one kind of Canadian, the Canadian family that wants to buy a home in the suburbs and establish themselves in a nuclear family setting and get on with what we have come to regard as the good life in this country.

This reminds me of a problem in Winnipeg. The president of the Manitoba Landlords' Association says they do not need any more public housing because the vacancy rate in Winnipeg is now 6 per cent. However, the vacancy rate in the inner city may be  $\frac{3}{4}$  per cent, 1 per cent or  $1\frac{1}{2}$  per cent. On sheer mathematical averages of vacancy rates in the city, the rate might be 6 per cent. However, there are people living within a certain area who suffer the effects of a very low vacancy rate. Their needs are not met because the policy is decided in accordance with this rather abstract average. This is the

[Mr. Blaikie.]

problem we find ourselves in with regard to this legislation. It assumes all our housing problems are uniform.

There is something else that has not come up in this debate. This policy is inadequate because it fails to deal with the fundamental cause of high house prices, the price of land. The price of land has not been mentioned in relation to the high cost of housing in Canadian cities. I will get to that a little later. It is these two concerns I would like to concentrate on this evening, the question of inner city housing and the land factor in housing prices.

The third question which I will mention briefly came to mind when the hon. member for Mississauga South (Mr. Blenkarn) was speaking. That is the question of the extent to which the benefits that this government intends to provide through this legislation to Canadian home owners will be offset by the actions of provincial governments eager to relieve themselves of various tax credit programs they may have because the federal government has now moved into this area. At this point I think of my own province. Although it was later denied, there was a rumour the province would be considering dropping its tax credit because the federal government was moving into this area. I suggest to members opposite that this is something to think about. Should this legislation pass, it should be ensured through conversations with provincial counterparts that the benefits do end up as a net benefit and are not offset by actions at the provincial level.

I now wish to deal with the inner city housing situation. As I said before, as much as 75 per cent of the people in the inner city are renters. They have a problem of affordability, not affordability to make the downpayment on a home because for many that is beyond the realm of possibility. Their problem is affording their rent on a month to month basis. Many pay well over 30 per cent of their income for rent, and in many cases this is for substandard housing. This has become worse in the last few years.

When I began work for the church in the inner city, if you were paying more than 25 per cent of your income for rent you were in a difficult situation. Over the past two years people are starting to say this is true if you pay over 30 per cent of your income. The same is true of unemployment. At one time 4 per cent unemployment was unacceptable. As things got worse, the level of acceptability rose.

This legislation does not deal with what I consider to be the most serious housing crisis in the country, with all due respect to those who would like to buy a home in the suburbs. The legislation is inadequate. We will be paying a terrible price if we do not have housing policies which address the problem of housing in the inner cities of major Canadian urban centres. Many of those who live in these areas are now paying a terrible price. At the school across from the place where I worked prior to my election, the turnover rate was 75 per cent. That is to say that 75 per cent of the students who enrolled in September were not there in June. Many of those elementary school children will have gone through three or four schools in the course of the ten-month school period. The reason is because their mothers are going from house to house trying to