

*Housing*

confess I appreciated that. He went on to say we are facing a worldwide problem in terms of inflation. We could not really come to grips with the housing crisis because of world inflation. I put to you, Mr. Speaker, and to other interested members of the House that worldwide inflation has virtually no impact on housing or mortgage rates. It need not have an impact and it does not have an impact.

● (2020)

There may be a few dollars but there is very little money that flows into Canada from outside which goes into mortgages. I admit that there is money that goes into the acquisition of property, but that is not what we are discussing. There is very little money which comes into Canada to be used for lending purposes for mortgages alone.

Bearing this in mind, it is quite clear to me that we could and, if we had the will, should direct those people who invest the public's money to invest it, or a reasonable portion of their portfolio capital, in mortgages at a predetermined interest rate which is within the ability of Canadians to pay. By "those people" I am talking about a number of different institutions ranging from life insurance companies to banks and credit unions, with all other forms of financial institutions in between, including the government. As a matter of course, those institutions should be required to invest in mortgages at a predetermined interest rate.

This does not begin to consider risk capital or investment for other purposes and the interest rates which may or may not be charged in that area. What it allows for is a blended return, or a blended interest rate in the end, if I may use the term. The interest rate which would come back from savings and investments would be, on balance, somewhat less than it is today. Nevertheless, it would be a blend of moneys loaned out for all other purposes and moneys which are required by law to be lent as mortgages for home ownership.

I suggest that there is nothing particularly wrong with that, but what worries me about today's market is that if I were to invest money, I could get a better return from a mortgage certificate which is absolutely guaranteed than I could if I were to invest in something with an element of risk attached to it. To me, there is something backwards about that system under which a person can obtain a better rate of return from a guaranteed investment situation than an investment in a risk-related situation.

I put forward that the first premise on which we start a housing policy is, first, that housing for people at an affordable price is a right and, second, that we must be able to raise the necessary capital from all those institutions, governments included, which are in the business of handling the public's funds. A significant proportion of that money must be made available to provide affordable mortgages for people all across the country.

We would be able to see the tremendous benefits which would result if we commenced on a premise such as that. If the government showed that kind of will, we could begin to build the required number of houses for people in every community

where housing is needed. This does not involve just the construction of houses. I am probably not telling the minister anything he does not know. I am sure he is as familiar with housing, if not more, as I am and I am sure he knows that, according to almost all calculations, we need something in excess of 200,000 housing units per year for at least five years in order to meet the backlog in the present demand for housing if we were to start building in the price range which people can afford.

I am sure that the minister also knows that HUDAC recently reduced its estimate of housing needs from 220,000 a year to 200,000. The reason for this is not that there are fewer people who need accommodation but that there are fewer people who can afford it. The rationale of HUDAC is that it might as well build houses because people cannot afford them. I suggest, for that very bad reason, that we ignore the estimate of 220,000 and proceed with the estimate of 200,000 and start building those homes.

When we begin building those homes, every time we dig the foundation we begin a process which creates 2.2 man-years of work in Canada. If we build 220,000 housing units, we would create  $2.2 \times 220,000$  housing units, which would equal approximately something over 400,000 man-years of work, without going into the calculation. Those 400,000 man-years of work do not only take into account the construction of a home. It includes the making of the copper pipes, ceramic tile, bathroom fixtures, the shingles for the roof, the windows and doors. These items would be manufactured in Canada from coast to coast, whether it be in the lumber industry in British Columbia, the manufacturing sector in Ontario or another portion of the manufacturing sector on the east coast. Every part of Canada would benefit from those approximately 460,000 man years of work, which would be created as a result of building the homes which people need.

I believe that if the provision of accommodation was the only reason for the construction of houses, that would be reason enough because it would be providing people with accommodation which is needed. However, at a time when we have unemployment, which is close to 1,500,000, and we consider the fact that we could create twice as many, or more, jobs than are now being created by meeting the housing need, I cannot understand why the government has steadfastly refused to go ahead with the development and construction of housing.

This does not only involve accommodation for home owners. Although it is part of the Canadian way that a person wishes to save in order ultimately to own his own home, which should be encouraged, we also have a responsibility to build rental accommodation at present. There is a serious accommodation problem in most metropolitan areas, of which I am sure the minister is well aware. I know he is well aware of this because from statistics in his own ministry it is quite plain to see. Whether we are speaking of Ottawa, which has a virtual zero percentage vacancy rate, or Hamilton, with a virtually zero percentage vacancy rate, or Vancouver, which again has a virtually zero percentage rate, there is an obvious need in