

Interest Rate Policy

long-term mortgage loan assistance program. We know that in four or five other provinces similar programs are starting up, but this is a federal responsibility, Mr. Speaker. Provinces, particularly one of our poorer provinces such as Nova Scotia, should not have to be forced to do this on their own.

Housing starts, as I say, are down across Canada, and in Manitoba they are the lowest they have been in 14 years. There have been only 35,000 new housing starts in Quebec, down 6,000 from last year. We know that St. John's, Newfoundland is another crisis area second only to Vancouver. Vacancy rates there dropped from 20 per cent in 1970 to minus 1 per cent in 1980. And we know that with the influx of people related to the oil exploration industry there is a very serious problem coming. St. John's has experienced a 22 per cent increase in housing prices.

I want to mention the situation in British Columbia again as a warning to other provinces. This week we had a briefing from CMHC officials from that area. One third of our households are tenants and to purchase a home one must have an income well over \$60,000 a year. Children have to stay with their parents and work to help pay for a house, and only those who have parents or fairy godfathers have a chance of getting a house. Tenants in new housing units are paying well over \$650 a month rent. Families are doubled up and there is desperate overcrowding as far as young people and students are concerned. As I said before, over 33,000 tenants pay more than 50 per cent of their income on shelter, and these are mainly senior citizens, the single parent families and handicapped persons who are living in dumps because they cannot afford anything else even if it were available.

Part of the problem is the influx of 56,000 persons into B.C. last year, 17,000 of whom were immigrants. There is an increase in demand for an estimated 25,000 more housing units, yet the government is doing nothing to help the situation. Their high interest rate policies are creating an impasse in the rental housing field and I would think also from the point of view of social housing, although we appreciate very much the non-profit mortgage write-down policy of the federal government. This is one of the best policies going but it is not enough. The cost to the government of those high interest rates for that program is another problem we must face.

We do not want to shut the doors to beautiful B.C.; we want and have a right to expect government help to increase the stock of affordable housing, as does everyone in Canada. So what are we going to do about this, Mr. Speaker? We have mentioned repeatedly a number of very positive programs that the government, if it had the will and it cared about people rather than the market, could institute tomorrow. My leader mentioned several of them earlier today. We must have a made in Canada mortgage rate as well as a general interest rate policy, even if it means that the dollar goes down or exchange controls are needed. We must have a sensible and practical mortgage assistance program through the banks, which make several millions of dollars in profits every time the interest rate goes up one point, and also through the government, particularly for family starter homes. Nova Scotia is an

example we have been advocating for some time, with low interest mortgages, preferably over a 25-year period, for families earning under \$30,000. This should bring down the cost of shelter to at least 28 per cent of income. This is a federal responsibility and we have the money there to do it; we have the money that the banks have, we have the Bank Act and we should get going.

We also want, Mr. Speaker, CMHC to return to a leadership role in the field of housing. It is time they went back to direct lending for long-term mortgages.

Some hon. Members: Hear, hear!

Mrs. Mitchell: We want CMHC and the federal government, in co-operation with other levels of government, to get back into land banking, assist municipalities in bringing down the cost of land and protect public land for the use of ordinary people for affordable housing. This is most urgent. We want an increase in the stock of affordable housing and the only way to do that in today's circumstances is by government write down of mortgages for non-profit and co-operative housing and for sensible family-oriented, small units of public housing.

We also need to have increased government programs to rehabilitate older homes. This is the only kind of accommodation most people can afford and it improves our cities and makes use of available resources. We should certainly have more innovative housing programs.

Let us look at what the Atlantic provinces did, but which they cannot do now because of mortgage interest rates, in regard to self-help programs in building co-operatives, shell housing, putting one's own labour into one's home, building a few rooms and adding more later when the kids come along. This government is discouraging that kind of thing.

● (1730)

My hon. colleague, the hon. member for Winnipeg North Centre (Mr. Knowles) tells me that I still have two minutes left—a most unusual situation.

I would like to elaborate and give some examples of some of the things people can do themselves if they have some sort of government assistance, particularly the non-profit sector getting into affordable housing. In my riding of Vancouver East groups in the Chinese community have been organized for over ten years which have not only rehabilitated the older homes in the community but which have used 25-foot inner city lots on which to construct two or three housing units. This is innovative and attractive housing which people can afford. In some cases the land is leased and in others it is strata title housing which people can own. There are other groups which are building co-op and other forms of rental housing. We need more housing which is accessible to the handicapped, and there is no better year in which to construct that type of housing than in the Year of the Handicapped.

I will conclude at this point, Mr. Speaker. I repeat, I support the motion which my party has put forward. We must have a made-in-Canada interest rate policy. We need it for the