

U.S. can learn from France's healthy housing market

by Aditya Misra

The housing market bubble in the U.S. has adversely affected housing prices, in turn damaging the economy. France, however, has a relatively booming housing market compared to other countries and can serve as an example.

The French have employed several intelligent policies. The U.S. government determines the minimum and maximum rate of interest on mortgage loans. During prosperous times, the government increases the rate, forcing the mortgage companies to do so as well, increasing the rate for the consumer. During bad economic times, the government lowers the interest rate, but the mortgage companies have the ability to still charge an exorbitant rate. Moreover, the U.S. mortgage companies expect lower income households to pay the ridiculous amount of interest, resulting in foreclosures and bankruptcies. In contrast, the French

have a fixed interest rate on all mortgage loans. Moreover, France gives its loans to people with high credit scores. France's fixed rate policy allowed for the housing market to go from 21 percent of the gross domestic product (GDP) to 37.9 percent of the GDP because more people are able to pay responsibly for their house with France's program. Thus, house-related jobs such as construction are in constant supply, allowing for people to be employed. This results in an increased GDP. The U.S.'s housing bubble led to a decline in the construction sector of the U.S. economy.

Also, France's mortgage rates are extremely low. Their rate is only 3.30 percent while the U.S. has a 15-year fixed rate of 4.56 percent. They can offer such low rates because of France's government debt, which is at its lowest level since 1810. France has a debt of \$2 trillion as opposed to the U.S. debt of \$14 trillion. Because of such low rates,

more and more French homeowners are opting for the fixed rate. The French government heavily regulates their rates because it does not want to increase its national debt by giving exorbitant interest rates to those who cannot pay it. Thus, most French people are able to pay off their mortgages, leading to a more stable economy. Unfortunately, the U.S. cannot subsidize rates because of the extreme government debt and inflation.

Another step France took was to offer zero percent interest on mortgage loans to individuals who meet certain criteria. It is called the PTZ loan (*prêt à taux zero*). Originally scheduled to end in 2009, it is now effective until 2012 and makes life easier for the people who are financially stressed. Beneficiaries include people who live in Paris or other major cities that earn less than \$40,338. Under some conditions, the loan can be repaid in thirty years. Also, the loan amount was increased for first-time buyers and those

who buy energy efficient homes.

In short, housing markets go back to the law of supply and demand. During bad times, the government will lower the interest rates on mortgages so people will be more likely to buy houses. This creates demand and people start buying. Once the market becomes more prosperous, the companies want higher profits and raise the interest rate, causing the demand to lessen. This is a vicious cycle. Fortunately for France, the demand for houses in the city is much more than the supply of such houses, resulting in a healthy housing market. The U.S. could be successful if it could employ a low fixed rate policy and heavily regulate it. Such regulation will lead to a prolonged period of stability, at least in the housing market. Hopefully, when the U.S. gets back on its feet, it will employ such a policy to prevent another similar recession.

Looking for summer adventure? Try the wilderness

by A. T. Spikol

Outdoors. It is where we are supposed to spend the summer, but why? And what does that mean, 'outdoors'? Lying on a beach surrounded by hundreds of strangers? Visiting crowded tourist spots and national landmarks? Attending summer athletic sessions with the people you see year round?

Perhaps. But for the past three summers I have tried to experience the outdoors in a more literal form; pristine wilderness. In the course of my experiences I have challenged myself physically, mentally and spiritually. I have summited remote mountains, conversed with ex-marines and hippie anarchists, crossed rivers and glaciers, led teams of my peers on rugged terrain, slogged through rain and hail, done yoga at the foot of mountains, gained insight into my character and that of others, debated environmental policy beyond the reach of civilization and have gone without showering for longer than I

care to admit. Not everything was easy, not everything was pleasant; all of it was worth it. Given the chance, I would do it again in a heartbeat.

For those whose interest is piqued, I hope that a short history of my own wilderness education proves instructive. My first experience in backpacking came from a trip with the Appalachian Mountain Club's (AMC) Teen Wilderness Adventure program. The organization is based in Conway, New Hampshire, which while far away, is easily accessible by bus. On my first trip with the AMC I came without any knowledge or experience whatsoever. I left with the basics of backpacking, whitewater kayaking and rock climbing, along with a newfound love of the outdoors. On my second trip I learned how to plan and lead a backpacking expedition and became certified in wilderness first aid. I also came to love the White Mountains of New Hampshire, one of the most beautiful and rugged

places in the United States. Known for its abundance of 4,000plus foot peaks (including the famous presidential range) and its fickle weather (if you do not like to hike in the rain, you do not like to hike) it served as the perfect location to learn the fundamentals of living outdoors.

Feeling comfortable with backpacking, I decided to look for a different challenge. Last summer I went on a mountaineering expedition with the National Outdoor Leadership School (NOLS), which is aimed primarily at college students but which accepts high school students aged 16-17, depending on the course. The NOLS school, founded by the legendary Paul Petzoldt, is the premier outdoors educator in the United States. With courses on every continent and type of terrain, led by some of the world's most experienced outdoorsmen and women, NOLS sets the bar for wilderness education. On my course in the Waddington Range of the Coastal Mountains of British Columbia, my expedition crossed the Homathko

Icefield, one of the largest glaciers in North America south of Alaska. For 28 days (during which we encountered not a single soul outside our group) we learned not just the basics of mountaineering but also how to depend on ourselves and on each other, assess risk, take on leadership roles, navigate effectively and in general be competent members of an outdoors expedition.

The constants throughout each course I took, both through the AMC and NOLS, have been phenomenal instructors, great fellow students and instructive lessons in both environmental ethics and low impact outdoors living. In addition, every course included great leadership training. While there are the same cheesy acronyms and aphorisms associated with any leadership training program, outdoors education programs succeed because they force you to actually lead in situations outside your comfort zone. Theory turns to application quickly once the map is in your hands and you have to get your team from point A to point B. I have learned more in a week outdoors than I have in a whole year of sitting in a classroom.

While this may seem like an advertisement, it is only so because I really believe I have benefitted from these programs and feel that I am obligated to share my experiences. Whether you are male or female, in ninth grade or twelfth, if you are at all interested in the environment and the outdoors, I cannot stress the value of getting out into the wilderness enough. It is a very real experience in what can be a very fake world.

There is however one caveat: expense. I have been exceedingly fortunate, as my parents have financed my passion for the outdoors; I understand that others are not so lucky. Still, many programs, including NOLS, do offer scholarships.

However you are able, if you have the opportunity to go, take it. Wilderness education is not just for the mentally ill and the emotionally unsound. In today's world, we are all in need of strengthening, mind, body and spirit. It is why each summer we go outdoors.



Myself atop an unnamed peak in the Waddington Range, Coastal Mountains, BC

photo courtesy of Greg