

National Housing Act

to which the government of Canada will have to put its mind. We cannot go on indefinitely providing houses only for those earning an income above \$8,000. The time is not far distant when that particular housing market will become saturated. Yet, those people earning less than \$8,000 a year cannot qualify for N.H.A. loans simply because under the N.H.A. regulations the gross debt and service charges shall not exceed 7 per cent of their gross income. For a man earning \$20,000, the 27 per cent of his income is not too much for housing, but for a man earning \$4,000 or \$5,000 that 27 per cent of his income is too much for housing.

I should like to quote from the publication called "Municipal Affairs" of February, 1968, published by the Canadian Federation of Mayors and Municipalities, where the following is said:

The government recently announced a substantial increase in the amount of government funds to be allocated in 1968 to public housing. The public was advised that this larger subsidized rental housing program was being achieved through a reduction in the amount to be available for direct lending to the speculative builder market.

What becomes very apparent as a consequence of these two recent government moves, is that subsidized rental housing or substandard housing will now be the only housing alternatives for many thousands of low and middle-income Canadian families. There can be no doubt about this, for how can a family with an annual income of less than \$8,000 hope to finance a twenty-five year mortgage at eight and five eighths per cent, taking into account the current costs of home construction, the cost of land, and the effect of the 11 per cent federal sales tax plus the appropriate provincial sales tax rate on building materials.

On two counts, these alternatives are unsatisfactory. Firstly, the number of public housing units currently available or shortly to become available falls far, far short of even current needs for low-income families, let alone middle-income families. Secondly, the rental rates that apply in public housing schemes are geared to income, and current income/rent schedules disqualify middle-income families from this kind of housing. Simply put, this means that the only solution to the housing problem of many Canadian families is an inordinate level of personal debt.

That comes from a publication of one of the most responsible and well informed organizations in Canada.

As I said before, I will reserve for a later date some of the remarks that I intended to make. I will conclude by saying that we support this measure, and I submit to the government that the time has come when the maximum amount of loan should also be increased. The recommendation of the Canadian Home Builders Association is that it be increased to \$24,000, and it can be done by order in

[Mr. Chatterton.]

council. I would urge on the minister that he give serious consideration to this.

Although it will not help the group of people whom I have described, earning less than \$8,000, it will help a great number of other people. We also have to keep in mind of course that all this money comes from the private sector and none of it comes from the government, therefore I do not think there should be any objection to increasing the amount.

• (4:30 p.m.)

Mr. John Gilbert (Broadview): Mr. Speaker, the members of the New Democratic party give a reluctant support to Bill No. C-202, which merely increases the ratio of loans from \$13,000 to \$18,000. It is striking example of Mohammed going to the mountain and bringing forth a mouse. The government's assistance is merely a band-aid assistance and does nothing to solve the vital and most critical social problem which we are facing in Canada today. It does nothing to solve the problem of the high cost of housing, the high interest rates and the critical shortage of homes. These are matters which should have first attention from the governments.

We have realized for a long time now that there was a need for a new minister of housing. Since I have been here, the standing committee on housing and urban development has not met once. In view of the serious shortage in housing, one would have thought that this standing committee would have met and come to grips with the problem, and would have invited representatives of the housing industry to express their views with regard to this problem. The former minister in charge of housing travelled across the country on a housing symposium, getting ideas from the housing industry, but he failed to table any of the facts he found or to refer them to the housing committee.

Then we had a federal-provincial conference in December at which little or nothing was accomplished as a result of bringing forth representation from the provinces and the federal government. Housing starts in 1965 numbered 165,000; in 1966, the figure was 134,000 and it appears that in 1967 we will be back to about 160,000. In the light of that record, the government has changed ministers. We in this party were looking forward to some great steps being taken by the new minister because we appreciated his accounting background. We thought he could solve some of the financial problems that are