

National Housing Act

Mr. Gilbert: I am just letting the minister digest that. I have great trust in the minister. He is a man of talent charm and concern, and what I am saying to him he will absorb. When he meets with those high-price officials who are sitting in the gallery, he will know what I have said in discussions with them. The minister proposes to lend money to municipalities and public housing agencies, and to reduce interest from the current rate of 10% per cent to 9% per cent for public housing while giving to limited dividend builders 8 per cent or less and subsidizing private lenders. This is consistent with the minister's philosophy of "more bang for the buck" but it is pretty discouraging to persons wanting to buy a home at reasonable cost.

The third criticism of the main part of the minister's bill with regard to subsidies to private lenders under AHOP is that the government loses control over the quality of the housing when the mortgage funds are not under the control of the government. The United States paid subsidies to private lenders in 1968 and experienced a scandal in the quality of the homes that were built. We in Canada had the innovative housing program in 1971, and I would ask the minister and his officials to reread the Charney report which catalogues the poor quality of the homes which were built. I would ask the minister, also, to read the report of the Canadian Council on Social Development which in summary reported that the innovative housing program built smaller homes, on smaller lots, of much less quality. That was their definition of innovative housing.

The foregoing are three major criticisms with regard to the first thrust of the minister's bill. The minister's second solution is that he will pay subsidies to builders who build rental units under private, NHA insured loans to make the units available at reasonable rents. This is an aspect of the limited dividend sections of the National Housing Act. At present, CMHC grants builders 8 per cent mortgages with regard to the limited dividend provisions. What will the new rate be to those builders who now take the NHA private, insured loans? What interest rates will they be paying? What increase or decrease will the people experience with regard to rents?

Why should this minister give builders 8 per cent mortgages and charge municipalities and provincial housing agencies 10% per cent to build public housing? It is more consistent with his philosophy of "more bang for the buck" and it is more consistent with his philosophy of socialism for the rich, but it is very disheartening to think that municipalities and provincial housing agencies have to pay 10% per cent to borrow money from CMHC to build public housing, and the minister lends at 8 per cent to private builders under the limited dividend provisions.

The third solution which the effervescent minister has to offer in Bill C-46 is that of land leasing for non-profit housing. CMHC will acquire and lease land to non-profit and co-operative housing organizations, including service clubs, churches, Legion branches, trade unions, and so on. It is true that at present these organizations have to contend with high land costs. The minister has attempted to solve that problem by allowing 100 per cent financing at a lower market interest rate. He has granted 10 per cent of the capital cost and provided for a start-up fund of \$10,000. Now he says that CMHC will acquire land and will lease it

to these organizations. If I read the minister's statement correctly, this appears to be an alternative to the addition of the 10 per cent capital grant. If one buys land and leases it to an organization, the minister says he will not receive that 10 per cent capital grant. It is an alternative. If this is so, he is certainly playing the great shell game—"Now you see it, now you don't." At one time you see the 10 per cent capital grant, but if you acquire land under a CMHC lease you do not get that 10 per cent capital grant. I hope I am misreading what the minister has said, and I will be very interested in the answers he gives in committee.

• (1600)

The minister has not said what percentage of housing in Canada constitutes non-profit housing. Let me whisper the figure to you, Mr. Speaker. It is .5 per cent; one-half of 1 per cent. Public housing constitutes 1.9 per cent, and private housing represents the difference of 97.5 per cent. If anything, the minister should commit himself to increasing the non-profit housing stock in Canada. To have it at one-half of 1 per cent is a disgrace to the country. He should devote all his time and energies to developing a policy for non-profit housing so that homes and rents would be available at reasonable cost.

The minister offers a fourth solution to the problem of housing in Canada. He offers sewage treatment assistance to offset excessive costs. This is a step in the right direction, but will the moneys that will be applied to sewage treatment assistance be taken away from housing programs, more especially the CMHC budget, or will they be added? If they are taken away, that is certainly not solving the housing problem. If they are added, that is a different matter and the minister should be given credit. The Seddon report in 1970 estimated an expenditure of \$200 million for 11 years to reach a minimum water quality level. Since 1970 much less than \$200 million has been spent toward attaining that goal. Why are connector sewers not included in the legislation? Storm and sanitary sewers are included, but although connector sewers are a very important part of home construction they are not included.

Mr. Speaker, those are the four solutions the minister has provided in Bill C-46 concerning the serious housing crisis in Canada. We in this party are disappointed with the performance of the minister and the government in this regard. I should like to give full credit to the last speaker for the excellent presentation she made today. I thought it was a very illuminating and persuasive speech, and we look forward to her incisive contribution in committee.

Some hon. Members: Hear, hear!

Mr. Gilbert: Mr. Speaker, I come back to the position of the New Democratic Party on housing, and give the minister some friendly and free advice on how to solve the problem. I wish the minister would adopt the philosophy that has been announced many times across the country, that Canadians are entitled to decent, clean housing, at reasonable cost, as a basic human right. That is the philosophy I have heard previous ministers espouse. This minister says "more bang for the buck", which in crude terms means more money to the builders, to the developers

[Mr. Nystrom.]