

National Housing Act

sure that it is to these ends we will be introducing amendments to make sure that these goals are achieved.

Our next area of concern under this program is that to do with the needs of rural Canada which, according to the Dennis report and other studies, are most important. It is part of the conventional wisdom of members representing urban ridings that the need for housing changes in Canada exists almost exclusively in the urban parts of the country. This is not the case, particularly with respect to the need for rehabilitation. We will be looking at the minister's budgetary proposals later, we hope soon in this session, to make sure that the needs of rural Canada with respect to rehabilitation will be met.

Next, I want to say something about the assisted home ownership program. When this program was introduced last year, the government suggested it would meet all the needs of low income Canadians. Appropriately, I think the minister has modified his enthusiasm on that point. The program will, through the reduction of mortgages, through extending the period of mortgage repayments up to 40 years, and the provision of annual grants, take real steps in assisting low income Canadians; however, by no means will it be the panacea that some government spokesmen have suggested it will be for meeting the housing needs of low income Canadians. Its virtues have been greatly exaggerated. It will benefit almost exclusively people in rural areas of Canada and small cities.

The reason for this is that, effectively, only dwellings below \$25,000 in cost will meet the eligibility criteria. That means that the average person in Toronto, or in my community, Oshawa-Whitby or indeed in any big city, such as Vancouver, or other cities on the west coast, will simply be ineligible for aid under the program. You simply can't buy a house under \$25,000. It is important that the minister does not raise false expectations in this regard. We will be studying the proposal and we will stress the importance of making the merits of the program clear. It must be seen by all that only those living in rural areas and small cities will benefit. This part of the program will do nothing to bring housing within reach of the average Canadian in the major cities, on the west coast, in Ontario, or in the province of Quebec.

What we need, and nothing in this bill moves in this direction, is the provision of housing for people in those areas to which I have just referred. They need homes that they can afford to purchase. To this end there must be a substantial reduction in interest rates. They must be brought down to between 5 per cent and 6 per cent. In addition, the government, under provisions in the financial mechanisms bill, must take steps, particularly concerning the banks and trust companies, to ensure that there will be an adequate flow of money for meeting such housing needs. Nothing in this bill, and nothing in the financial mechanisms bill that the minister introduced, will move us in this direction. There is a complete failure on the part of the government under this program to meet the needs, of people in Canada who earn between \$8,000 and \$12,000 per year and live in our larger cities. This is a major gap in the government's legislative program, and we will be proposing at the committee stage amendments that will be intended to meet those needs. In the debate on the financial mechanisms bill in particular, we shall make

[Mr. Broadbent.]

concrete proposals that will overcome that major disadvantage in Canada's housing programs.

I should like now to turn to the co-operative housing provisions. We see in this provision a great advance over anything that has previously existed in Canada. We, of the NDP, believe that co-operative housing is and should be seen by law to be part of the non-profit private sector in housing. We think major emphasis must be given to the encouragement of co-op housing as one of the most effective and socially desirable ways of dealing with the housing needs of average and low income Canadians. With this in mind, we shall propose two significant changes. First, we will propose an amendment to make it clear that low interest loans will not be made available only to what have been regarded as charitable co-ops, but that they will be made available to all housing co-ops in Canada. I welcome the minister's comments in his speech which suggest that he intends to take steps to amend the legislation along these lines.

The second point with respect to co-ops is this: we object to the provision which puts a 95 per cent ceiling on the financing of co-operative housing projects. Co-operative projects we believe should be put on exactly the same basis as non-profit housing corporations active in other sectors of the housing program, and thus be eligible for 100 per cent financing. We think the requirement by the government that people put up five per cent acts as a deterrent which should not be part of any government program, the object of which is to encourage the spread and development of co-op housing in Canada.

In conclusions, may I say that we shall support the bill. Most of its provisions might be simply considered as a catalogue of certain areas that have been neglected in the past. On the other hand, we reject the view that much of it is new. Most of the provisions are to be found in other, existing legislation. There have been loopholes in the CMHC legislation. By bringing all these provisions together in one legislative package, however, we shall make it known to all Canadians that this wide range of programs is available to them, and therefore more Canadians will be able to obtain benefits from such provisions than was the case hitherto.

May I stress this, however: although accepting this bill, we still reject the basic view held by the Liberal party and by the Official Opposition that the private, commercial, financial marketplace will meet the housing needs of Canadians. We categorically reject that. For decades, one government after the other at the federal level has suggested that by tinkering with the Bank Act and fooling around with mortgage regulations, somehow we were going to provide houses that were needed for average and low income Canadians. It has not worked.

To repeat a point that I made yesterday, three million Canadians still live in grotesquely inadequate housing. To continue to rely on the private market mechanism, even to the degree proposed by this government, will be to perpetuate serious social housing inequalities in Canada. Therefore, when we debate the financial measures which will be required to implement some of the laudable objectives of this bill we will, (a), be rejecting the bill that will be coming later from the minister and, (b), making a proposal of our own which will, if it is accepted by the