

introduction and the following week temporary changes were made to the budget. In that year there were approximately 54,000 MURB starts. This year we have the Canada Rental Supply Program, which was introduced in the same budget, that originally allowed for interest-free loans of \$7,500 per unit, which amount was later altered upward. The average loan is \$12,000. Approximately 7,800 units have been approved under this plan.

However, honourable senators, I point out that there is a considerable difference between the 54,000 units commenced under MURB and the 7,884 units approved under the Canada Rental Supply Program. I emphasize that these units have only been approved. No one seems to be able to tell me how many of them have actually started this year. I think that the number of starts is a very important aspect, because we have dropped a considerable number of housing units at a time when rental accommodation is very scarce in a number of Canadian cities. I believe that the city of Ottawa is at about a 0.5 per cent vacancy rate. I ask the sponsor of the bill to tell us how many of the units approved under the Canada Rental Supply Program were for social housing.

On March 23, 1982, the former Minister of Housing said that up to one-third of the units could be for social housing; he did not say "would" be. I understand that a number of the projects have no provision for so-called social housing units. The Canadian Home Ownership Plan, as I said with regard to the estimates recently, is the only program that is showing some signs of success. As honourable senators are aware, this plan provides a grant of \$3,000 to those who are purchasing their first home. However, because the program is meeting with a bit of success the government seems to be annoyed: "We cannot have everything else failing and have one program beginning to show some promise. We will have to alter that program." Consequently, as of January 1, 1983 that program will apply to new units only.

● (1450)

Honourable senators, before that program is altered I think we should look at it closely. To date, there have been 29,000 grants approved for new housing and 55,000 grants approved for existing housing. That is a ratio of almost two to one. There are several reasons for the fact that existing housing is more popular. First-time purchasers like to buy what are commonly called starter homes and then trade up. Existing housing is cheaper and, therefore, more attractive to first-time purchasers. Another good reason why I believe the Home Ownership Stimulation Plan should continue to apply to existing housing is that in certain centres of the country, such as Sudbury where the mining industry has closed down, a number of people are bound to have to leave town and it will be difficult for them to sell their homes, particularly if the subsidy applies to new construction but not to homes that must be vacated. There would seem to be a certain discrimination against these unfortunate people who have to sell their homes, if they have to take \$3,000 off the selling price in order to compete with new construction.

[Senator Phillips.]

As I said earlier, honourable senators, housing starts have been decreasing each year. Apparently, there is a ratio between housing starts and the deficit. As the deficit increases, housing starts decrease. This year it is estimated that there will be approximately 130,000 housing starts in Canada, but the Canada Mortgage and Housing Corporation has stated that there is a need for at least 220,000 units. That leaves a shortfall of about 90,000 units. I find nothing in this bill that would tend to stimulate construction or bring on to the market the additional 90,000 units that are required.

The bill makes no mention of co-op housing, although that form of housing is popular in certain areas of the country, particularly in the Atlantic provinces, because it is a means by which people in lower income brackets can own their own homes by participating in their construction and thus keeping the costs down. I am certain the new minister of housing, who is familiar with co-operative programs, will want to give this concept his attention in the near future.

Mobile homes are ineligible for grants, honourable senators, and I think that is unfortunate, because in areas where mega-projects take place, such as the Alsands and Cold Lake, there is an urgent need for that type of housing. The workers who go to such projects seldom go on a permanent basis. They know they will be working in such locations for perhaps three years, at the end of which time they will have to move. I should like to think the government would reconsider its position on this. I think it would be a mistake for it to remove mobile homes from the program.

Honourable senators, in the other place recently there was a suggestion of a new program of insurance against mortgage interest rate fluctuations. Perhaps the sponsor of the bill can give us some information in that regard. I do not believe this chamber has had any information on that to date. I hope that program does not meet with the fate which befell the program for mortgage reductions. In that case a blue chip committee was formed to study the proposal in the June budget and it recommended against the program. The government dropped it like a hot potato. Incidentally, I find it rather strange, honourable senators, that when parliamentary committees, or other parliamentary bodies, make recommendations to the government they are ignored, but when this blue chip committee made its recommendation the government acted upon it as if it could hardly wait to agree with it. I find that strange indeed, especially in view of the fact that throughout the summer the government spent hundreds of thousands of dollars on advertising the program, suggesting that this was the time to buy a home because the program was coming on, and then simply dropped the program. They could not even wait until the term of the TV ads had expired. There were no ads ready to replace the ones advocating the purchase of homes under this non-existent plan; the government simply had to run the old ads to term because they did not have new ads ready, they had cancelled the program so quickly.

Last evening the sponsor of the bill stated that there were approximately 10,000 applications at a cost of approximately \$4 million. That gave me some concern because that averages