

*National Housing Act*

building materials, some of which have been partially removed.

That is quite a statement for developers to make, that if red tape is removed they will be able to build houses at half the present cost. The largest stock of available housing, reasonably priced, is the older home; but the increase in interest rates pushes them further beyond the means of potential buyers. In Winnipeg it takes up to six weeks to process a loan. By the time it is approved, the interest rate has increased from 10¼ per cent to 11¼ per cent. This adds to the already high cost of shelter.

Builders in the Winnipeg area also pointed out that the government has ignored the urban core erosion problem which exists in all cities. Previous experience has proven, and pilot projects have demonstrated, that a workable and economical solution can be found for these problems. The federal program is committed exclusively to medium-density housing, which means town houses and condominiums. This is the only type of home that has enjoyed marginal acceptance on the prairies.

The program also fails to deal with the necessity for continuity in the housing policy, and instead emphasis has been placed on unilateral housing programs by the federal government. Thus, I can say that there is nothing original about these measures. We have had stepped-up programs, expanded programs and resurrected programs, but no recognition by the government that adequate shelter is a basic right of all Canadians.

**Mr. John Gilbert (Broadview):** Mr. Speaker, Bill C-77 is unimpressive and fails to meet the housing needs of Canadians. It fails to meet the serious housing needs in four main areas: first, it fails to increase the supply of homes, more especially with regard to low and moderate income groups; second, it fails to solve the problem of the high cost of land; third, it fails to deal with the high cost of mortgages; and fourth, it does not reduce the high cost of homes.

● (1700)

I believe the minister is merely shadow-boxing with these four main problems facing Canadians today. I feel that the main thrust of the minister's legislation as expressed by the parliamentary secretary this afternoon is that the payment of subsidies to people under AHOP, the interest-free loans to developers for a period of time, and the capital cost allowances to rental entrepreneurs who are not developers, will not solve the housing problems of today. In fact, subsidies have proven to increase the cost of housing: they do not increase the supply and they certainly do not bring down the cost of housing.

In fact, I would say that the legislation as presented by the parliamentary secretary this afternoon is nothing but a sweetheart agreement between the Minister of State for Urban Affairs (Mr. Danson), the financial institutions, the developers and the rental entrepreneurs who are not developers, to persuade them to build more houses. The minister hopes that by adjusting the cash flow problems of purchasers, somehow these people will have the money with which to buy homes at very low cost and that will solve the shortage of housing today.

[Mr. McKenzie.]

I said that the minister is really shadow-boxing with the main problems, and in boxing parlance I am sure the financial institutions and the developers could say that he did not lay a glove on them, because he did nothing to direct the financial institutions to allocate a percentage of their investment portfolios. He has done nothing to control interest rates and he has done very little to increase the supply of housing. In fact, if the Minister of State for Urban Affairs were properly called the minister of housing, I would call him the minister of hoaxing and coaxing, because that is all he is doing with regard to the serious problems we face today.

We in the New Democratic Party, people in the Conservative party and those in the Liberal party—I think the hon. member for Spadina (Mr. Stollery) will agree with me on this—feel that there is a serious housing problem across the country. The minister is excellent at defining the problem of the serious housing crisis, he is overflowing with sympathy, but he is wrong in his solutions with regard to this problem.

It is rather ironic that the parliamentary secretary should lead off the debate today, because on Saturday of last week he made a speech in Montreal before l'association Provinciale des constructeurs d'habitation du Québec, and he agreed with all of us in the House that there is a serious housing problem. I shall read excerpts from his speech just to prove this point. He said that there are serious housing problems among the elderly, the poor, the native people, the sick, and others, and these people must receive priority attention from the federal government. I could not agree more. None of us could agree more with regard to this problem. He also said:

Another situation that would not have seemed possible even a few years ago is that many people who are reasonably affluent can no longer afford to buy their own homes. I am talking about the middle-income group, people whose incomes today range from about \$12,000 to \$18,000 annually, and who used to represent perhaps the most active segment of the home-buying public. Up until a few years ago, these middle-income families—whose income then, in non-inflated terms, is about the same as it is today—could usually afford to buy a house. The price of moderate housing was about twice their annual salary, interest rates were much lower, and the monthly pay-out was not excessive in terms of income.

Today it is. How true that is. The speech continued:

In most urban centres, the inflated cost of housing has far outpaced the concurrent rise in incomes. Families in the middle-income range find it difficult and often impossible to buy a house that costs as much as three times their annual salary and carries a mortgage at a much higher rate than ever before.

This is the parliamentary secretary setting forth the problem. What did he say about people who rent? He said the following:

Rental accommodation, for example, is all but non-existent in some Canadian cities, and the already serious problem is steadily deteriorating. This situation demands attention.

The parliamentary secretary knows that the vacancy rate, according to CMHC figures published for the month of November, is 1.2. Is it any wonder the parliamentary secretary and all of us are concerned about the serious housing problem? The disappointing feature is the solution which has been set forth by this government. Let me give some figures. These figures were quoted by the parliamentary secretary in his famous speech of Saturday last. They had been earlier quoted by the Minister of State for Urban