

Housing Prices

far worse than we even suspected. I am delighted to find this out, but I feel sorry for the householders of Canada.

Mr. Knowles (Winnipeg North Centre): The minister's staff tells him the same thing.

Mr. Danforth: It is time we had a government in Canada that brought in policies. They talk about something that is new, something that is daring, something that is invigorating, something that is a challenge—but if they brought one new policy into this Parliament it would be a first for them. They talk about their record. They had an opportunity to run on their record, and they have not done it.

Mr. Speaker, we are talking about the problems of the people of Canada. Members on the government benches may laugh, but among the citizens of this country the matter is most serious. The idea that a young couple has to postpone marriage because there is no place to live, the idea that people cannot afford a home even though they may earn \$6,000 a year, is a tragedy in Canada. The idea that old age pensioners cannot find a home at any price because there is no low-cost housing available to them, is criminal.

In conclusion, Mr. Speaker, we like to feel we can be proud of Canada and the way Canadians are treated. This is the way we should feel. But no member in this House on either side can justifiably feel proud of our housing policy. It is criminal, it is tragic, it does not meet the needs of the people and the really sad thing is that every month the situation grows worse. We are producing less units every year than the minimum needed, and the cost is increasing as is the interest rate. It is a tragedy that is growing even more tragic, and I think we will all rue the day when the government brought in what they consider to be their housing policy.

Mr. Ian Watson (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, in the few minutes that remain this afternoon I would urge the Minister of State for Urban Affairs (Mr. Basford) to assume, in his new capacity, the activist role that he played so well in his other responsibilities.

Mr. Knowles (Winnipeg North Centre): I hope he will do better than he did on the price of drugs.

Mr. Watson: The activist role I would urge for the minister, Mr. Speaker, would have the CMHC play a role not simply of a passive lender, which appears to have been its role so far in the province of Quebec, but a role where it would use its power as a lender to force upon municipalities the kind of reform that I feel is essential if we are to protect our local municipal taxpayers.

In my constituency there is a rising population. It is now the second largest in the province of Quebec, with a

population of 131,000. This has meant a tremendous expansion in housing in the last few years. This expansion along the south shore of the St. Lawrence opposite Montreal has been as a result of direct CMHC loans and NHA guarantees and, more recently, the CMHC sponsored low and moderate cost housing. But this federal input has not been reflected in any visible improvement in local planning or in the amount of space set aside for green areas, recreation areas or park areas. On the municipal financing side, Mr. Speaker, this growth has been accompanied by a disastrous deterioration in the finances of most of the local municipalities, with the result that in one or two communities which I represent, taxes on a \$12,000 or \$14,000 house are in the \$800, \$900 per year range.

What is happening now is that because of this chaotic and terrible local municipal financing, the low-cost and direct loan housing which formerly was within reach of a very large segment of the population, is being forced out of the reach of the very people it was designed to help. The major cause of this poor municipal financing is the practice which is still tolerated by the Quebec department of municipal affairs of allowing municipalities to not incorporate into the cost of house lots all municipal costs associated with such lots. I mean not only roads, sidewalks, water and sewage costs but also lighting, police, fire, recreation and administrative services. In most parts of North America and in Ontario I understand the practice is followed of capitalizing all costs into housing. The cost of all these services, actual and anticipated, is capitalized and forms part of the cost of the lot. Although the lot costs more initially if it is financed by CMHC, it is spread over the loan period and municipal taxpayers do not end up having taxes increased to pay for the cost, largely hidden, of every new subdivision and housing development.

The minister indicated today that he is proposing to bring in some NHA changes soon. But I would submit, Mr. Speaker, that these changes will not benefit the people they should help, the long suffering municipal taxpayers, unless—in my province at least—the condition is attached for CMHC loans and NHA guarantees that would require intelligent municipal financing for new development. This must include the capitalization of all costs associated with new development.

The Acting Speaker (Mr. Laniel): Order, please. It is my duty to inform the House that pursuant to section 11 of Standing Order 58, the proceedings on the motion have now expired. Accordingly, this House stands adjourned until Monday next at 2 p.m.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.