

National Housing Act

these developments and to encourage improvements in housing for low income groups. However, while we are undertaking studies of methods of improvement, we cannot lose sight of the fact that many people are suffering now from an inability to locate and pay for adequate housing in the purely physical sense. The needs are pressing in several parts of Canada, particularly in the large cities. The government cannot hold up projects in the advanced stage of development where prolonged delay in approval will result in the failure to provide the accommodation these people so desperately require. The task force has drawn public attention to this problem. Current projects, wherever possible, are being improved to reflect these views.

To clarify the immediate and long term intentions of the government let me state clearly that we support in principle, and will give high priority to, the continuation of federal assistance for increasing the supply of housing for low income groups. The program over the past few years has built up increasing momentum. It will not be frozen or curtailed while we give continued and active study and analysis to its effectiveness and adequacy.

Specific public housing projects which have been approved by C.M.H.C., but on which final authorization was delayed pending a statement on policy, will now be given the go ahead. We have indicated this decision to the provincial governments concerned. We intend to consider all applications as they are put forward, and we will authorize acceptable provincially supported projects to the extent of the funds available within a generous but not unrestricted budget. But we will not let this decision prevent the immediate intensification of discussions with the provinces with a view to improving the physical and social characteristics of public housing. We hope to reach agreement with each province quickly as to the type most suitable to its particular area.

Mr. Stanfield: Would the minister permit a question at this point. Am I to assume from what he is now saying that he considers it was a mistake to hold up these projects?

Mr. Andras: I do not consider it to have been a mistake, Mr. Speaker. I think it was a valiant effort. Everything was done to try to effect improvement to projects in train. But my dilemma was that a period of time had elapsed and I felt we had reached the stage that, even though there was something better possible in the future, we had an immediate

requirement. I do not think that was a mistake, but time came upon us very quickly.

We look forward to the completion of these discussions within the next few weeks so that we can put forward improved criteria for public housing projects to be effective as soon as possible, but at the latest in the planning of projects proposed for development with federal assistance in 1970.

It is also our intention, following consultation with the provinces, to initiate an on-going program of research and study into the wider aspects of low income housing. This research will include even more intensive consideration of the social, economic and psychological factors involved in subsidized housing so effectively dramatized by the report of the task force. We want to develop new concepts for improving our techniques for providing this type of social assistance.

Within the terms of the existing legislation there is scope to improve our methods of increasing the supply of subsidized housing and its quality. The present legislation enables us to consider with provinces projects developed through purchase from the existing stock rather than the construction of totally new units. The province of Ontario has utilized this approach to good effect already.

We are equally willing to consider subsidized housing acquired under lease arrangements, the prime leases to be negotiated by provincial housing authorities either on a long term basis or for a comparatively short term of, say, three to five years.

In the case of acquisition, the provinces can choose one of two existing federal assistance programs. First, there is the federal-provincial partnership. Under this arrangement the federal and provincial government share on a 75-25 per cent basis in the ownership, capital cost, and operating losses of the project. By the second method the federal government lends 90 per cent of the funds needed at a preferred interest rate, has no ownership interest, and pays 50 per cent of the operating losses. As I said, the provinces can choose to lease the accommodation. In this case, the 50 per cent operating subsidy by the federal government would apply.

We realize that both these techniques can be successful only where there is a significant vacancy rate in the community. In this context people should not be required to move to create vacant units for purchase or lease by the government.

These approaches do not increase the total stock of housing units, but they do provide

[Mr. Andras.]