

Discussion on Housing

for public housing purposes, and the corporation was permitted to make loans of up to 90 per cent for this purpose.

To take advantage of these provisions, the provinces had to set up housing corporations. Eight provinces have done this. I cannot help but think that the hon. member for Vancouver-Kingsway should have directed the brunt of her argument more directly to those at whom it should properly have been directed. Frankly, and of her own volition, she ought to have admitted that her own province, British Columbia, had not set up a housing corporation and that some of the difficulties of which she complained could be attributed to this fact. In other words, Mr. Speaker, I think she ought to have been as rough with the Social Credit people as she was with the Liberals.

The corporations in the eight provinces were set up in the period between May 8, 1964 and July 1, 1967. Only one was set up in 1964, the one in Ontario. In 1966 three were set up. On April 6, 1966, the province of Nova Scotia set up the Nova Scotia housing commission. On April 7, 1966, the Prince Edward Island housing authority was established. In 1966 also the Newfoundland and Labrador housing corporation was set up.

Then, in 1967, four other provincial housing corporations came into being. I mention these figures to suggest, sir, that it is a little early to say that the provisions in the amendments of 1964 are not working. Perhaps it is not fair to single Ontario out because, undoubtedly, the housing pressures in Ontario are especially great; yet it can be noted that in Ontario at least 12,000 public housing units have been placed. The total for all Canada has been something like 16,000 units. In other words, approximately three quarters of all the public housing units to date are in the one province that set up its housing corporation in 1964.

The next province, in terms of numbers of public housing units, is Newfoundland and Labrador. This is followed by Manitoba. In Nova Scotia, up to the end of August, 1967, 321 public housing units had been placed.

• (9:50 p.m.)

I say, sir, that the dates on which the corporations were set up and the number of units achieved are significant because they suggest that it is really too early to decide whether the amendments made in 1964 have been successful or have been failures. What is notable is that already in 1967 about \$150 million has been provided for public housing projects throughout Canada by the C.M.H.C.

[Mr. Stewart.]

In addition, \$52 million has been allocated for student housing; an additional \$21 million has been provided for construction of housing for senior citizens; the sum of \$55 million has gone for urban renewal; and 29 million for municipal sewage facilities. The total is over 300 million in this year alone toward the areas of greatest social need. Over \$300 million has gone for those special kinds of needs in the housing field toward whose cost the taxpayer contributes openly.

This evening we heard the Minister of Finance (Mr. Sharp) say it was to this field of public housing and to related areas of housing requirements that the government was proposing to give special priority.

The ceiling of 8½ per cent applies in the field of what we call approved lender mortgages. What has been happening in this field is really very plain. The Minister of Labour (Mr. Nicholson) when he made his announcement the other day, and the Minister of Finance tonight, have not attempted to conceal the truth. Those with money to lend have not found the rate of interest attainable sufficiently attractive. They have invested their money elsewhere. Consequently the number of houses built with conventional mortgages or with approved lender mortgages has not been as high as one might have hoped.

Confronted with this situation the government had two options. It could make it possible for approved lenders to lend money at rates more attractive to them. It could have raised the ceiling on the interest rate somewhat. Or, at the other extreme, the government could go out and borrow money itself to permit more and more C.M.H.C. loans at a rate below the open market interest rate. This presumably would have meant that the government itself would have had to pay more for the money it was borrowing. An alternative would have been to increase taxes. But no matter which way the government went about raising this additional money the basic result would have been the same. The taxpayer would be subsidizing the homebuilder to a higher extent.

Frankly, sir, that in itself does not jar me. All kinds of cross-subsidizations take place in our society; and cross-subsidization becomes more and more complex as our society becomes more and more complex. The point that must not be forgotten is that if this second option had been taken the taxpayer would be subsidizing a homebuilder to a higher extent.

I found that the hon. member for Saskatoon was confusing me a little on this point when he came out so strongly on the one