The provision of adequate housing is one of the most important tasks in our continuing effort to develop better communities. It is clear that a necessary, although perhaps not sufficient condition for this objective is a much larger supply of adequate dwellings. The only way to get a larger housing stock is to build more houses. The recent task force on housing and urban development which was led by my distinguished predecessor in this office, called for a minimum housing output of one million units over the next five years. I do not doubt that we can achieve this target. The task force carefully designated this objective as a minimum and recognized that it will take some time to realize the goal of decent housing for every Canadian.

While the primary objective of federal housing policy can be simply stated as decent housing for every Canadian, the instrumentalities for reaching the goal are not simple. No country in the world has yet been able to reach this desirable stage for its population. Federal housing legislation incorporates two broad types of instrument. On the one hand there is the loan insurance apparatus which has the purpose of improving the private residential mortgage market, and stimulating the greater flow of capital resources into housing. These arrangements, while they may be of direct significance mainly to middle and upper income groups, serve nevertheless to increase the total stock of housing and, through the filtering process, to benefit lower income groups.

On the other hand, there is a variety of loan and subsidy arrangements designed to modify and transcend market forces and to provide accommodation directly for people whose incomes or other factors would not otherwise enable them to obtain it.

One might well ask: if the aim is primarily to increase the housing stock, why do we not rely wholly on the filtering process and get on with the business of inducing the private entrepreneurs to generate the flow of resources into housing, buttressing, guaranteeing, supporting, and cajoling them to whatever extent is necessary in order to rapidly bring about the desired increase in the housing stock? The answer is that exclusive reliance on the private market is expensive. There are limits to the commitment of labour and resources which the economy can allocate to residential construction. The task, therefore, is not just to encourage a larger resource commitment to housing but also to get a high yield out of what the country can afford in terms of completed dwelling units. It is an increased number of dwelling units, not just an increased investment, which diminishes the housing backlog. It is important to recognize this in terms of the constraint on the commitment of our productive resources which arises from the recognition of other legitimate social priorities in Canada.

We must, therefore, not only improve the operation of private markets in order to accelerate the total output of housing but we must also stimulate the provision of modest accommodation for low income people, augmenting the process if necessary with what may be regarded as non-market devices in order to get a higher yield of new units out of the nation's housing effort.

The argument for government loans and subsidies for low income people does not rest solely on the issue of distributive justice. It depends also on the hard economic reality that in order to achieve the size of housing stock which is needed in this country, we must greatly increase the share of the new housing program which provides modest accommodation for people of low and modest incomes.

Let me simply point out, by way of illustration, that an additional $100,000 investment in housing can provide two $50,000 homes or six $17,000 homes. I think in face of our current situation the one distribution is an extravagant use of resources, the other more equitable and productive.

• (3:10 p.m.)

Bill C-192 incorporates amendments to the National Housing Act that affect both the loan insurance arrangements and those provisions aimed primarily at housing for low income people. It also touches on questions that are related to the broad problem of urban development. Because I believe that in the future we will be obliged to place greater emphasis on housing for low income people, I want to comment now on public housing as one aspect of this policy.

The task force raised many questions about the social implications of the existing types of public housing projects. The task force itself, many social agencies and knowledgeable individuals have made many suggestions that would serve to improve the quality of these projects, to minimize the stigma attached to those residing in public housing, and to create an environment that achieves human dignity.

The government intends to proceed as rapidly as possible to encourage developments designed to enhance the quality of life in