

Housing

the opposition agree on a date. We have had one constitutional debate and we could have others.

We thought we were going to hear about housing today. I know why the leader of the N.D.P. did not talk about that. He could not substantiate his assertions that there is a housing crisis.

Let me begin with a brief quotation from the first paragraph of the report of the federal task force in housing and urban development which was tabled in this house on January 29, 1969. That paragraph in part states: "Canadians can rightfully claim to be among the best housed people in the world." This does not mean we think there should not be improvement. This does not mean we are not improving the situation. This does mean that it would be a mistake to say, as the leader of the N.D.P. said, that housing is the most pressing national problem facing this country. Let me ask members of the opposition whether, if they were to establish a list of priorities of an urgent nature in this country, they could honestly say that housing was the top priority? Does it come ahead of education, ahead of financial progress and development and ahead of equalization of opportunity for all Canadians? Does it come ahead of correcting regional disparity? Apparently it does.

Housing is a crisis area. Let us consider some of the facts as they are known to the country but apparently not known to members of the N.D.P. The Economic Council of Canada made some projections on housing units required in Canada. This is what the council said. It is clear that at the current rate of construction, with 197,000 units having been started in 1968 and 210,000 forecast for this year, the council's target will be met for the 1965-70 period.

The *Financial Post* of tomorrow's date has a lead article on the first page headed "Housing Off To A Strong Start". The article begins as follows:

Houses are being built at a frantic pace in Canada this spring despite a tight, expensive mortgage market.

If the growth of the first three months is kept up, it will take the housebuilding industry to the limit of its capacity in 1969.

• (2:30 p.m.)

Some hon. Members: Hear, hear.

Mr. Trudeau:

Housing starts for the first three months are up 47 per cent from the same period, in 1968.

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This situation did not come about of its own accord. In 1966 and 1967 there was a shortfall in housing in this country. In order to improve the situation, this government last year and this year has done many things which have produced this greatly improving trend. In order to improve the flow of mortgage funds and to stimulate home-building in Canada, a number of legislative and policy actions were taken by the government in the housing field in the past two years. Among such steps I mention the automatic adjustment, after September, 1967, of the National Housing Act rate relative to the general interest structure, the Bank Act changes in 1967 which resulted in the re-entry of the banks into mortgage lending on a substantial scale, the increasing of the ratio for home ownership loans on new housing in March, 1968, and the raising of the maximum loan for apartment units for \$12,000 to \$18,000 in the previous month. In addition, Central Mortgage and Housing Corporation was authorized last October to reallocate to direct home ownership loans \$170 million and to make 6,000 loans to merchant builders.

A direct consequence of these government measures was a large expansion in the mortgage funds provided by the institutional lenders. This expansion may be somewhat surprising in that it occurred against a background of steadily rising interest rates throughout most of the year, due in part to world-wide financial and monetary problems, in part to a resurgence of inflationary expectations which necessitated greater restraint on the part of the monetary authorities, and also because of strong competing demands for capital market funds. Despite such adverse conditions, the private institutional lenders increased their mortgage approvals by 27.2 per cent, from \$2.1 billion in 1967 to \$2.7 billion last year. In this total, the increased concentration on National Housing Act lending by the financial institutions showed the effectiveness of the new formula in stimulating National Housing Act lending; for all the approved lenders the increase was from \$356 million, or 16.8 per cent of total lending in 1967, to \$832 million or 30.8 per cent of total lending in 1968.

Government policies have increased the flow of mortgage money and this has meant a very substantial improvement in residential construction. Thus house-building reached a new peak in 1968, when nearly 197,000 dwellings were started, an increase of 20 per cent over the 164,000 starts in 1967. Housing starts exceeded completions, and the inventory of