

Housing

totally convenient for everyone, anyway. I will be in touch with the hon. member in the first days of the week, although my staff was in touch with his office to try to evolve a date satisfactory to all of us. In the meantime, I saw the minister of housing for Newfoundland this week and I will see the minister of housing for Alberta on Monday. Within a week or so I will be seeing the housing ministers of Nova Scotia, Prince Edward Island and British Columbia. So there is a constant contact. This is the sort of thing that is important. I am referring to one-to-one discussion so as to really understand the problems and try to set down our priorities so that we can do the type of forward planning which the hon. member for Winnipeg North suggested is essential, with which I agree.

It is not easy under our budgetary system, but surely we must be able to plan sufficiently far in advance so that within certain parameters we can develop the same sort of priorities. I do not want to talk to those who will simply say, "Give us some money and we will do what we think is best". If they think that is best, they should have the courage to tax for it. They should also have the courage and honesty to admit that the programs we have in place are working.

As a result of these consultations, we took some \$70 million from other funds to turn over to the provinces, funds from programs such as AHOP and the accelerated rental program. We are waiting for that money to be used. I telephone and plead with those ministers to use the funds in constructive programs. At the same time, we are running out of funds for AHOP and limited dividend housing. Here we made a mistake. We succumbed to those provincial housing ministers. For our future discussions, I think they recognize this. They admire the success of these programs and I think they will co-operate even further because we have learned much. Some of them are doing the job now and are working extremely well with the Minister of Finance (Mr. Turner) and I. We are in close consultation. He is certainly aware of the problem. He gives it very high priority and understands its importance, not only socially but also in the economy. He understands the urgency of the situation. So that our contact is close and warm and I am sure we will see results which will even warm the cockles of the hearts of the opposition.

● (1430)

Miss MacDonald: We will pray for you.

Mr. Danson: The hon. member for Winnipeg North spoke about interest rates. They are certainly disturbing to us also. That is the reason so much of our funding is going into the subsidization of rates for low-income families. I am not a great believer of subsidies in themselves, but it is best to be honest and to say what they are, and not give them some other name. They are taxpayers' dollars and they are being used constructively. The hon. member for Winnipeg North suggests that we are maintaining an artificially high rate and that under the AHOP program we are giving the money to the lender. The money goes to the purchaser of the home directly, in monthly payments. We try to maintain our loan rates close to the market, but at the low end because that is the only realistic way to look at it. It is no more an international

[Mr. Danson.]

commodity than capital and it flows in spite of borders. The world interest rate affects our interest rates.

There are, of course, many other factors. It is not a simple subject to debate, but we have put limits on the rates at which we will insure, because we are saying that above those rates people cannot take advantage of many of these programs and they will not receive the benefit of insured loans or insurance under the National Housing Act from CMHC if they are charged rates above what we think are fair market rates under existing conditions. Sometimes this changes rather frequently. Sometimes it changes by region, and with decentralization of CMHC regional managers of each province have considerable discretion to use judgment, which they use wisely, in determining the situation in their local markets.

The hon. member for Winnipeg North suggested that someone other than the private builder is going to build the houses. I am sure he spoke of this in regard to other countries. I have visited many other countries where the governments build houses. I do not think that is what Canadians want. I think there are better ways of doing it. We set the parameters; we set high standards; we do good planning. We have a long way to go on all those things, but we are doing much better than many other countries. They have to deliver according to those standards, at those price levels, and those income groups are the ones who have to do it. I fear the day when the government gets into building houses in this country. Because I fear it, I give tremendous emphasis to the area of third sector housing, the type of housing under our non-profit and co-operative housing programs. This is not government, it is not private sector developers, but it is people in groups or it can be other levels of government.

We are very much encouraged not only by the municipalities establishing non-profit housing units but also church groups, service groups and trade union groups who together have done an excellent job in establishing non-profit or co-operative corporations which we subsidize 100 per cent—or at least we lend at 100 per cent at low rates of interest.

Mr. Stanfield: At least you are honest.

Mr. Danson: I caught myself being dishonest. It was only a slip of the tongue, but I am associated with people who tell the truth, so I corrected myself very quickly. It is 100 per cent lending, 10 per cent forgiveness and up to \$10,000 in start-up grants to help them get their corporations organized. In addition to that, we will give assistance and guidance, and in areas of very high land cost where the 10 per cent may not be enough to really help them, the federal government through Central Mortgage and Housing Corporation will purchase the land and lease it back to them at a nominal rent so that the rents will be at a level people can afford.

Through my colleague, the Minister of Veterans Affairs (Mr. MacDonald), the Department of Veterans Affairs is granted a further 10 per cent forgiveness in that sense to encourage veterans' groups. I think this is a very special thing. I do not know of any other nation in the world which has taken veterans through another generation where instead of the needs of the young, vigorous veteran with his war bride charging home from the battles and out