

*National Housing Act*

tion one can find of a catalogue of neglect in Canada for some 25 to 30 years. Just let me repeat them. First of all, we had the neighbourhood improvement program. He told us what had not been done in that area in recent times. Then there was the assisted home ownership program. The minister pointed out that average and low income people cannot afford to buy housing and have been unable to buy it in Canada for decades. So, he says, at last something has to be done. Then he went on to land assembly and then programs of rehabilitation. He talked movingly about the needs of senior citizens in Canada. Although I missed a couple of other programs en route, finally at the end of his speech he got around to talking about the importance of housing warranties.

• (2140)

I say that this is simply a catalogue of neglect. It illustrates very well that in terms of providing for a basic human need, which is important for people in Canada or anywhere else—housing—the market system on which this government and its Conservative predecessor has relied has failed. This market system, under which we allow the forces of so-called free competition to allocate our capital resources has not done the housing job in Canada. It is time we moved well beyond that and categorically recognized that it will not do the job. We should begin to look—I will come to this later when we are discussing the financial instruments bill—at our financial institutions to make sure that we get the money we need for housing in Canada.

I listened to the minister outline these programs. On the one hand they reveal a shortage, but at the same time, almost in one sentence following upon another, there is the contradictory reference to what this government has done. The minister's constant reference is to housing starts which have taken place in each of the past few years under the Liberal government. One might have thought that the situation was not all that bad and that this bill is needed merely to patch up the deficiencies of the system; but let me remind hon. members of some basic facts which were revealed in the recent Dennis report suppressed by this government but which finally emerged in the fall of last year.

In our country in 1972 we had 750,000 units of housing which were not safe, not decent and not sanitary. By a conservative estimate, I think that means that about 3 million Canadians are living under those circumstances. I repeat, this report is not based on conditions in the 1930s but on conditions in 1972. The report also indicates that 500,000 units need heating, plumbing repairs of a significant sort, and major structural improvements. That means that well over another million Canadians are living under these deplorable circumstances.

Let us look at the distribution of funds under the National Housing Act which was originally set up to provide money for the average Canadian to achieve what the hon. member for Calgary North suggested was a good objective, that is, ownership of a home. What do we find the situation to be? We find that most of the funds provided under the National Housing Act have been provided to upper income Canadians. The figures for the past two years indicate that the median income of a Canadian family was approximately \$2,000 less than the median

[Mr. Broadbent.]

family income of a recipient of an NHA loan. What that means, stated in different terms, is that the income of the average Canadian earner, who pays most of the taxes, is being used to finance the homes of upper income Canadians. When we combine that fact with the facts I have just mentioned, we see a picture for the year 1972 of which Canadians cannot be proud.

**Mr. Basford:** Would the hon. member permit a question?

**Mr. Broadbent:** If the minister would not mind, I would be glad to answer his question at the close of my remarks, following his own example. The point I am making is that our capital or disposable income in the main is left in the hands of bankers and insurance companies and is flowing to those in higher income brackets for the purposes of housing. We have to change the present system of providing homes or we will not do that job which needs to be done. We will not be able to provide homes for those Canadians who live under conditions that are not safe, decent or even sanitary.

This bill represents the first significant change in housing legislation since 1964. In that year there were changes which provided CMHC with the right to lend funds to provinces for construction of subsidized housing. That was an important step taken at that time. All we have seen since then, however, in terms of basic housing legislation is a bit of tinkering, for instance, authorization to lend funds to provinces and municipalities for land assembly. What the present government proposes is obviously inadequate. We need funding at more adequate levels.

Since 1964 we have seen additional provisions to aid private lending institutions, including the freeing of interest rates on NHA loans, and amendments under the National Housing Act to allow chartered banks to take part in NHA mortgages. We have put these private institutions on the CMHC gravy train. A good illustration of this is the rising curve indicating the rate of profits for the banks and trust company. This has led to the highest mortgage interest rates in the history of Canada. This is the real evidence of the effectiveness of these changes. I refer also to changes to section 15 of the act which made it possible for developers to build trash, and I use that word advisedly. These changes are the kind of which we cannot be proud.

Before I say something about the provisions of the present bill may I refer to the minister's description, to the effect that it represents a "major attack against our housing problems". Frankly, I do not think this is the case and I will illustrate why I feel that way. The present bill represents only a slight move to ease the burden of rising housing costs for a few Canadians. It does not deal with the basic problem of housing inflation. It will not reduce interest rates. It will not put a stop to spiralling land prices. It does not promise to provide the level of support needed to ease the burden of price increases in recent years, let alone solve the housing problem.

• (2150)

It is important to realize—this is especially true with respect to housing—that parliament has an important effect, but a limited one, on all its policies. The present bill, as well as ones in other areas, allows considerable