

once. Motion No. 3 deals with neighbourhood improvement loans. These are loans for the purpose of improving housing in a neighbourhood. This clause appears in the bill at page 10. It reads:

● (1650)

Where the Corporation makes a contribution pursuant to section 27.4 it may make a loan to or for the benefit of the municipality in an amount not exceeding seventy-five per cent of the amount obtained by deducting the amount of the contribution . . .

These are direct loans to municipalities which may help a municipality clear out ghettos. When there is rehabilitation of housing, areas are cleared out which would spoil the rehabilitation or new housing. Our group had the privilege of visiting the city of Montreal. The mayor and his staff took us to various sections of Montreal where a splendid job is being done of rehabilitating houses and living quarters which had been reduced to almost semi-ghettos. With the assistance of the city of Montreal and the province, an excellent job is being done. This bill will provide the means to do the same job. When money is being advanced like that there should be a ceiling on the interest rate. That ceiling should not be more than one half of one per cent over and above the cost of the money to the government in the form of long-term bonds. I appreciate the fact that the minister and his staff assisted us in this regard. They came up with a different wording, but it amounts to the same thing.

Motion No. 5 is in respect of rehabilitation and conversion of existing residential buildings. Agreements are made with the province for rehabilitation of existing buildings. I have explained what is happening in Montreal. The same thing will happen across the country in many other cities. In other words, the day of the bulldozer, we hope, is gone. We hope that there will be an end to the knocking down of buildings and that buildings will be rehabilitated with the government, through CMHC, putting up so much money, the owner putting up so much money and part of the loan being forgiven.

The amount provided by the bill is small. It deals basically with \$4,000, \$2,000 supplied by each of the parties. Surely that could be enlarged by Order in Council or by parliament. Once again the interest rate should not be exorbitant. The interest rate of one half of one per cent over what the government is paying on the money seems to be a fair and equitable basis for setting the interest rate on loans of that type. I may say that at least this is a start in the right direction, having a ceiling placed on loans of this type.

Motion No. 9 relates to loans to facilitate home ownership, loans made by the corporation direct to the province, municipality or agency for the purpose of assisting that province, municipality or agency in acquiring serviced land. I wish to spend a little time on this. This is good. According to all the articles one reads in the newspapers, and according to all the experts, the big problem that has caused the increase in the cost of buildings today is the cost of serviced land. We have the bureaucracy at the federal level, at the provincial level and then at the municipal level, and the developer who owns land or others who have land available for development surrounding or adjacent to the cities, when making application for the development of the land have to go through the

National Housing Act

bureaucracy at the first level, at the second level and at the third level. Sometimes this takes years. Serviced land is the whole problem. In the last two or three years, land has increased in value more than 100 per cent. Let me give you the following examples.

Nationally, the cost of housing has risen 90 per cent over the last decade. In Ottawa, it has gone up 96 per cent and in Toronto 120 per cent. The average house that sold for \$16,000 in 1963 sold for \$32,500 in 1972. Even in Montreal, where there has been a slump following Expo and where they had the October crisis, realty prices have still increased by 20 per cent. This article to which I am referring goes on to describe that lots which cost \$5,000 in some centres now cost \$15,000. In some areas like Toronto, the prices of lots in the last few years has increased from \$5,000 to \$25,000. This is for serviced lots. Surely, this part of the bill should do very much to facilitate the working out of this problem by the provinces with municipalities in order to get serviced land into operation immediately so that housing units can be started as well as apartment blocks, public housing, co-operative housing and other types. In order to do this, cheap money is needed. The cheapest money we can get surely is at one half of one per cent of what the government pays for it.

In some of these programs I would have liked to have seen no charge at all. I know this is what the members of the New Democratic Party wish. They know my position. I took the same position they did. However, the art of politics is the art of the impossible made possible. I knew that my friend the minister and his government would not have bought that package. So, as I have said, the art of politics is making the impossible possible. What is one half of one per cent if you can at least get a ceiling in the bill. I would have liked to have had no charge over and above what the money costs the government, but I have made a deal with the minister—I am not ashamed of it—with the approval of my party which at least gets a ceiling set for the first time on interest rates in respect of loans of this kind. An amendment restricting the interest rate to the cost of money to the government would not have gone through the committee, and I doubt that it would have got through this House.

So, I say it is better to take the formula I have accepted and have a ceiling written into the bill than to quibble about one half of one per cent and not have any ceiling at all, particularly when dealing with mortgage interest rates which are now between 11 per cent and 12 per cent.

The next amendment deals with new communities. This might be a good time to break off because it is five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

[English]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: