

programs, should be determined only in Ottawa. The provincial governments were seen as incompetent to determine their own program priorities or to responsibly allocate public moneys to the various agencies or corporations who would actually provide the housing.

There was an even greater unwillingness to see the municipalities determine housing policies at the local level. Instead, we had the highly bureaucratized Central Mortgage and Housing Corporation in Ottawa attempting through the approval process to control every aspect of housing right down to the quality of individual projects. This was paternalism run rampant, with a highly centralized machine purporting to cover the needs of an entire country with a single set of standards and regulations. What this led to was a general insensitivity to the fact that the different regions of Canada required different housing policies. Programs for new housing may indeed have been desirable in certain parts of Canada, but there are other parts of this country where a more appropriate mix would have been in order in view of the relatively large inventory of existing housing stock which was slowly deteriorating.

For a number of years there were home improvement loans under section 28 of the National Housing Act. However, this provision was not for direct loans by the corporation but merely the guaranteeing of loans made by a bank or an approved instalment credit agency. If the bank or credit agency said no, then the home owner was out of luck. Had the federal government been interested in conserving and upgrading existing housing stock, it would have been a simple matter for the minister to introduce legislation which would transfer section 28 to part I of the act so that direct loans could have been granted. But this government sat on its hands.

Indeed, this lack of federal action has been accentuated by a drastic reduction in activity under section 28 providing for home improvement loans. In the period 1955 to 1959, approximately 31,000 home improvement loans were granted per year. In the last three years the number of loans has gone down from 10,000 in 1970 to 9,000 in 1971, and in 1972 the number of home improvement loans for the whole of the country was down to 7,000. There has been no federal concern regarding this decline and no attempt has been made to investigate its causes.

I would submit that this failure to pay sufficient attention to rehabilitation of existing housing in the large cities of Canada can be traced back to excessive centralization of policy-making and administration. The government has failed effectively to involve the provinces and the municipalities in the determination of the program mix. Indeed, when some provinces in January requested block funding on a three or five-year basis in order to give them the sort of flexibility required to pursue, together with the municipalities, innovative programs in core areas, Ottawa said no. Similarly, when some of the provinces demanded flexibility in order that they might take into account their particular urban or rural needs, Ottawa still resisted. The old rigidity is to continue. This government is denying to the provinces and the municipalities the opportunity to set their own priorities. You either do it Ottawa's way or not at all. I would suggest that as long as the federal government persists in dominating the program mix to the

extent that they have in the past, we will continue to have situations in Canada where programs lag behind public need. The top-down approach is inflexible, inhuman and out of date.

Now, no one doubts that the central government in Ottawa has an obligation to determine the dimension of housing problems throughout the country and to set national goals. This clearly is a federal function. I think this was clearly explained by the hon. member for Calgary North (Mr. Woolliams) in his address last Thursday. But these goals must form the context and framework for the development of provincial and municipal housing programs best suited to the needs of each community in each part of Canada.

But here we are in 1973 with an expanded bill with a variety of patchwork programs to be rigidly administered from the centre. It is not that programs such as assisted home ownership, land assembly, new communities, neighbourhood improvement and residential rehabilitation are necessarily bad or undesirable. The problem is that the mix and balance of these programs will still be in the hands of CMHC. Too often that body is insensitive to local needs.

Let us examine the contemplated level of expenditures for each of these programs on a national basis. Let us try to find out what the minister had in mind when he conceived the program mix. The minister indicated to us, on Thursday that he will reveal the anticipated expenditures for each program during committee stage. But last June he gave some hint of the sort of plans he had when he was introducing an earlier version of this bill. He outlined the amounts to be spent in the first year of operation.

At that time he stated that there would be some \$155 million allotted to assisted home ownership, some \$70 million to land assembly and only \$6 million to residential rehabilitation. Out of the total first-year expenditure of \$457 million anticipated at that time, residential rehabilitation would make-up only 1.3 per cent, which gives some indication of the priority that this government is giving to existing housing. Even if one were to throw in the \$80 million anticipated for the neighbourhood improvement program, this would bring the total commitment to existing residential areas up to only 18.8 per cent of the total federal funds to be committed in the first year of operation. Obviously, then, residential rehabilitation is going to get short shrift in the implementation of this bill. There are going to be thousands of lower and middle-income home owners anxious to fix up their houses to a minimum maintenance standard who are not going to qualify simply because there will not be enough money in the program.

This program purports to be an improvement on the old one introduced last June because it does not necessarily restrict residential rehabilitation loans to houses located in neighbourhood improvement areas. However, to go outside these areas there must be a designation by the governor in council, with the concurrence of the province, meaning that the built-in institutional restraints on these rehabilitation loans will be substantial. The program is still area-oriented. This is yet another example of paternalism. It will be almost impossible to get rehabilitation loans or grants into spot situations outside of the inner