

with their housing needs. They are not a replacement for any existing program, but an extension of them. They do not replace the federal government's long-standing public housing program which for many people throughout the country represents the best solution to their problems.

They do not replace the federal government's non-profit housing program by which local non-profit organizations are helped to acquire or create rental housing to meet the needs of people in the community. They do not replace federal government programs of assistance to co-operative housing. They do not even replace the existing AHOP which during 1974, through direct CMHC loans and interest reducing grants, allowed some 20,000 Canadian families to become home owners. Clearly, this has been one of the most comprehensive housing programs entered into by the government of any country. They do not replace any of these housing programs but are added to them, increasing the options, multiplying the ways in which people can be helped.

At the same time, these two new programs for home ownership and housing rental are financial measures. As hon. members are aware, the government, through CMHC, invested some \$450 million in public capital in AHOP in 1974. But even these very substantial funds, which had been increased from the initial commitment, ran out before the year ended. It became evident that if this program was to be expanded to meet the expectations of Canadian families, it would require a very considerable infusion of new capital. Taking into account the whole range of public capital requirements, it seemed the most efficient use of available resources would be to attract this capital from private sources. What we are doing, therefore, is making grants available under certain terms and conditions for families who can obtain an insured mortgage from an approved lender to buy a new, moderately priced house and who need some help to keep the monthly payments to a reasonable proportion of their income. We are putting up the money for the grant, up to \$600 a year, but the capital is being provided by private lenders and will largely represent new money that would not otherwise be available for investment in moderately priced housing.

In a similar way, where the builder or owner of a rental housing project can obtain an insured mortgage from an approved lender, we will enter an agreement with him or her. If the project seems suitable, we will make a contribution to him or her—I must say that during International Women's Year—to help bridge the gap between his or her interest payments and the rate needed, on condition that he or she charges a reasonable rent to tenants which directly reflects the level of federal subsidy. During the term of the agreement, which would be a minimum of five years and might be extended to 15 years, they must pass along the benefit by accepting a fair and reasonable rent which would be arrived at on the advice of local CMHC officials and in light of local conditions and the quality of the accommodation.

● (1510)

I would like to remind members that in no circumstances under either of these programs would the federal government or its agency pay grants to banks, trust companies or other lending institutions. In one case the money goes to the family which buys the home, and in the other

case it goes to the building owner on the condition that he enters an agreement about rents to be charged.

I have been very pleased to hear the reaction of builders in all parts of Canada who believe these two programs will give a very substantial impetus to housing production in 1975. If their expectations are borne out, it could mean the injection of \$1 billion or more of new private sector capital into housing in Canada that would not otherwise be used to provide low and moderate priced housing for Canadians.

Finally, if I can make the distinction, the third purpose of these new housing programs would be economic. Hon. members are very much aware of the decline in housing production which has taken place in recent months due to a number of factors including the phenomenon of world wide inflation. We are all aware, also, that housing is a critical element in the national economy. A speeding up of housing production now would not only provide more Canadian families with shelter; it would have a wide ranging impact on employment in the housing industry, in the many industries that provide building materials and equipment, and on all those goods and services which families require when they establish a new home—stoves, refrigerators, furniture, carpets; the implications are almost endless. The effect of a billion new dollars invested in housing would be multiplied many times throughout the economy.

I would like to remind hon. members, however, of a point I have made often before, that housing is not just a commodity but a social need, and that housing investment should not be turned off and on for the sake of manipulating the economy. In the present circumstances, however, it is quite apparent that people's social needs and the health of the economy would be very well served by a massive stimulation of the residential construction industry.

In case there should be any doubt, however, let me emphasize that the first concern of this government is with the human dimension of housing, with our commitment to provide every Canadian with access to good housing in a safe and satisfying community environment, at a cost he can afford. While we are attacking high costs with financial and economic policy, we are equally concerned, at the same time, to help those people who are most vulnerable. The whole range of NHA social housing programs and programs aimed at the improvement of community life are continuing and, when it is warranted, will be expanded.

In that connection, of course, this bill also provides for a new form of assistance to non-profit housing projects. It would give CMHC the authority to acquire land and to lease it back at favourable rates to non-profit and co-operative housing corporations in order to help them reduce rents to their tenants. As I am sure hon. members are aware, CMHC now provides sponsors of non-profit housing with 100 per cent financing at beneficial rates of interest, an outright grant of 10 per cent of capital costs, and start-up funds of up to \$10,000 a project. Even with these subsidies, however, some non-profit groups in high-cost areas have had trouble providing accommodation at rates that are within the means of the people they want to help. This new land-lease provision will make the critical difference to many of these groups.