

close by they may be out of line. There should be a careful analysis of the extent of these limits.

● (1540)

I want to return to the relationship with the municipalities. I wish this housing bill and the program which we are debating had been announced 15 or 20 years ago. In a country that has so much space, I cannot understand why we have such high-priced land and such a scarcity of it for housing. Provincial governments are now starting to recognize the problem; they will have the benefit of this program and perhaps will start their own, as Ontario has. They will be able to say to the municipalities that debts with respect to housing should be shared by all the people and not just those in the municipality concerned. Without that type of approach and philosophy to this problem we will not get the necessary housing and we will damage the tax base in our larger cities.

I am sure all members of the House share the view that the housing situation in Canada is serious enough that there should be a different relationship between the federal government, the provincial governments, municipalities, developers and builders. Until now there has been an adversary type of relationship, and I think it is time for close and serious co-operation. I am most concerned about the position of the builder. The majority of the builders I have known are no longer in business simply because they cannot buy serviced land on which to build houses. Serviced land is so costly and scarce that the small builder cannot compete in the market, so the whole business is left to a few large, powerful developers and again there is an adversary position within the municipality and very few houses are built. Some large developers have very serious concerns about the problem.

I think that with a united relationship and attitude among all levels of governments, builders and developers, a much better job could be done with respect to providing housing in Canada. This is a very important program for the part of the country that I represent and it is one of the fastest growing areas in Canada. There are probably as many new homes built there as in any municipality in the country. I wish to commend the government for taking this action, Madam Speaker.

[Translation]

Mr. C.-A. Gauthier (Roberval): Madam Speaker, I am pleased to speak on Bill C-77, in which we read the following explanatory notes, and I quote:

The purposes of the amendments to the *National Housing Act* may be summarized as follows:

(1) to authorize the Central Mortgage and Housing Corporation to make interest reduction grants to cooperative housing bodies and non-profit housing groups and to individuals who borrow for house renovation;

(2) to establish a program of cash grants to municipalities per unit of new medium-density family housing units constructed in the municipality and approved for construction before December 31, 1978;

(3) to authorize the Corporation to make loans and forgive indebtedness to municipalities in respect of municipal water supply projects;

(4) to modify the Assisted Home Ownership Program to authorize loans for the acquisition as well as the construction of homes and to clarify the regulatory powers applying thereto; and

(5) to modify the Assisted Rental Programs to give increased benefits to encourage construction.

National Housing Act

Madam Speaker, I believe this bill which deals with almost all areas of housing was eagerly awaited and a quick look at it reveals that it is not exactly what had been expected. Once more the Canadian people are bluffed as only the present government knows how to. There is no doubt that the housing problem is very critical today. That is why the government, very opportunist as always, introduces its famous housing action program.

The legislation will affect municipalities, owners of existing houses, future owners, tenants and even—I was going to say, and mostly—the big builders and lenders, because as the honourable member who preceded me indicated, we fear that it will still be the big businesses and not only small building businesses which are now in trouble, having difficulties, but the feeling is that the millionaire contractors will be the ones to collect the benefits of the bill.

Under Bill C-77, the government wants to guarantee the construction of at least one million units between 1976 and 1979, but at what cost, Madam Speaker? What will be the long term cost for the one who really needs housing? Is it a new gimmick of the government to encourage the Canadian people to sink deeper into debt and thus give to capitalists an opportunity to double and even triple their income at the expense of needy families? Is it a social legislation first and then a financial one or is it the other way around?

Those are the questions which we are entitled to ask before the bill is deferred to a standing committee of the House, more especially since the government always resorts to subterfuges to have its monstrosities approved. This is why we are driven crazy with phrases such as low cost housing and low cost renting; we hear discussions on them all the time over the radio, and we read about them all the time in the newspapers.

Madam Speaker, they need plenty of cheek to talk about low cost when a couple with one child cannot find a lodging for less than \$150 or \$200 a month. And they dare talk about low cost housing in the case of a house which will require between \$42,000 and \$52,000 in investments over a 30 or 40 year period. Have they ever considered that the purchaser of such a house will have to pay over \$100,000 to become its owner, if he cannot reimburse his indebtedness and if he does not leave 50 per cent of it to his estate?

The minister talked about assistance to municipalities. Everybody knows that all this assistance, all these grants are in fact a warranty for the interests taxpayers will have to pay to financial institutions. When we consider these grants today, as well as whatever assistance is offered to municipalities, we realize, Madam Speaker, that their purpose is always to serve as warranty for the interests municipalities will have to pay. It is therefore another way of protecting big finance and lending institutions. They must not lose one cent. Recently, to help a city, they lent \$30,000 repayable over ten years. That makes \$10,000 a year. However, the city will pay \$5,200 a year in interest alone, and they say they want to help the city. They just put it into a mess it will not be able to get out of.

● (1550)

Madam Speaker, I say that this assistance, today, is designed only to protect capital, banks, insurance compa-