

*National Housing Act*

goal and we are even more confident today that it will be achieved.

Our immediate target for 1976 is 235,000 starts. Hon. members opposite have had occasion, from time to time, to comment about my minister's optimism and it is a description which he cheerfully accepts. He is an optimist. He was an optimist when he undertook to achieve 210,000 starts in 1975, and he was still an optimist when some of the experts were saying we would not rise above 172,000. It is quite evident now that the pessimists were wrong and we are going to achieve our 1975 target of 210,000 starts—just as we are going to reach 235,000 in 1976 and a million starts by 1980. In fact, hon. members will recall that, seasonally adjusted, housing starts for October, 1975, were 276,000—over 100,000 more than the same month last year. I am pleased to report that the figure for November, 1975, is a high of 258,000 starts, which clearly means that we will achieve our target of 210,000 starts.

It is extremely important to the residential building industry to have this kind of commitment, beyond the annual year-to-year targets. Hon. members who are experienced as businessmen will recognize the advantage of being able to plan production over a reasonable period of time. If one knows what the market is likely to be, one can cut costs significantly and increase efficiency.

Our goal of 235,000 starts in 1976—an increase of some 25,000 over 1975—will mean 32,000 additional jobs in residential construction and in all the businesses and industries affected by housing. It will also mean that private lending institutions will have to significantly increase their investment in housing—at least another \$750 million in 1976.

The minister has said, Mr. Speaker, that the government will require lending institutions to make these additional sums available. Some hon. members have expressed skepticism about this undertaking and have suggested the goal could not be achieved without compulsory legislation. Mr. Speaker, the minister has met with some of the most prominent lenders and has heard from many others, and I am pleased to inform the House that their reaction has been most co-operative. We have no doubt that the necessary funds will be forthcoming in the amounts we require. We will be establishing a monitoring committee to review performance by the private lenders and to ensure that funds are adequately distributed among the various regions of the country.

As the Minister has already advised the House, the Federal Mortgage Exchange Corporation will become active this spring, creating a secondary market for mortgages, making them more attractive as an investment and drawing more private investment into residential construction. In addition to an adequate supply of capital, one of the critical requirements in achieving our objectives will be a supply of serviced land where and when it is needed. One of the obstacles to opening land for residential development, Mr. Speaker, has been the reluctance of municipalities to encourage this kind of growth. For many municipalities, new housing, particularly low-cost housing, has imposed a demand for services that is not matched by new tax revenues. A number of federal housing programs and policies are designed to overcome these problems. Loans and grants under our sewage treatment assistance

program have helped finance most of the facilities installed throughout Canada in recent years. This program, as hon. members will recall, was recently revised to make it more generous and more relevant to current problems. In particular, assistance was extended to cover storm trunk sewers when they were required to open up new land for housing. Under the federal housing action program we are going one step further and making loans available, not just for sewage treatment and trunks but for water treatment and mains where they will assist with new residential development.

● (1630)

As a further inducement to planned residential development and the encouragement of low-cost housing, the federal government will make grants of \$1,000 to municipalities for each unit of medium-density housing built within local AHOP price limits. The minister has assured the provincial ministers that we will consult with them about criteria and will ensure, as far as possible, that these grants are administered in a way that is consistent with provincial priorities.

During the last federal-provincial housing conference we had a most useful discussion of various measures which provinces are using, or are contemplating, to speed up municipal processes of approving land development. It was generally agreed that, while this was a matter primarily of concern to individual provinces, it has become such a serious problem in many provinces that it assumes national importance. I agree that protracted delays in the approval processes are one of the most significant barriers to the achievement of our national housing goals, and we have offered to be helpful to the provinces in any way we can in sharing information about this problem and developing solutions.

I think these, essentially, are the principles of this legislation and the federal housing action program. It involves, first of all, a commitment by the federal government to a million new homes in the next four years. That means 235,000 starts and 32,000 new jobs in 1976. It will require private lending institutions to increase their share in the lending market, and I have indicated that we already have this assurance. It will mean increased private lending and substantially more mortgage money thereby being available for social housing programs such as public housing, non-profit and co-operative housing. It will make housing generally more affordable.

The AHOP and assisted rental programs are being revised and expanded. The new AHOP and assisted rental programs, along with new requirements restricting high ratio lending, will help shift housing production toward the lower end of the price range. The new assisted rental program and the extension of capital cost allowances will help restore economic viability to the rental market, thereby increasing production and helping to restrain costs. New loans and grants for water treatment and mains and new municipal grants for low-cost, medium-density housing will help speed up the development and servicing of land for housing.

There is one more matter provided for in this bill which is not directly related to the federal housing action program. It proposes certain amendments to the Central Mort-