

Urban Affairs

It seems to me this is where we do not need further research. We do not need more projects or demonstrations of any kind. The areas in which we have to act are those of interest rates and land, very traditional areas. Nothing innovative in terms of ideas is required, but something innovative in terms of cutting into our economic structure is required. That is why neither the Conservative Party nor the Liberal Party has been prepared up to this point to move in the required direction. I can certainly speak with considerable assurance about the Conservative Party because I have read their program on housing, though I am still not sure if it constitutes official policy or not. Apparently the Conservatives hold conventions and pass resolutions but they do not have the force of policy, which is certainly convenient. Anyway, the statement on housing and urban matters which emerged from that convention had nothing substantial to say in terms of dealing with the interest rate question or the land question, both of which make up the guts of the housing problem for Canadians today. They by-passed them completely.

The present government with its batch of programs passed by the House last year made a significant start in the right direction and all parties in the House supported those programs. But it is now 1974, and we can see that average and low-income people particularly in urban Canada are simply not benefitting. Eighty per cent of Canadians in urban Canada get no benefit from the urban programs which were passed by parliament last year. It is this category of person we need to be dealing with now in terms of further legislative change.

What can be done? I will say what can be done immediately at the federal level. It requires 30 seconds of repetition; it has been said by me many times. First, change the Bank Act and other federal financial legislation to make it mandatory that our financial institutions put up at no profit and indeed, in that section of their investment at current rates of interest, at some loss, mortgage money at 6 per cent for housing. We say that without hesitation, Mr. Speaker, because we believe that the financing of housing should be a social obligation. We need money to enable people to get homes to live in, just as we need money to build schools and to finance medicare. We cannot have human existence dictated to or controlled by a market system that makes it impossible, because of the interest rate structure, for ordinary people to derive these benefits. Therefore, we say that we must direct our financial institutions to make available mortgage money at 6 per cent.

● (1630)

Secondly, in terms of land banking, if the minister does want to take some action within the next few weeks or months, I know that some 50,000 acres of quick start land is available. The officials in his own department conducted a study, presumably for the minister, which revealed that in 15 urban areas of Canada there are 50,000 acres of available land for housing. With provincial agreement the minister could acquire these 50,000 acres and put up some 250,000 housing units. Then, not because this is a fantastically new idea, but because it is an innovation in the structure and the history of housing construction in Canada, these 50,000 acres should be retained under public ownership, with the houses only being sold.

[Mr. Broadbent.]

Doing this would cut the cost of these 250,000 units by anywhere from \$8,000 to \$12,000 per unit. This saving in cost would be retained in perpetuity, because the person who buys one of these units would not be free to sell it on the open market; rather he would have to sell it back to the original housing authority for the original price he paid, with some allowance for inflation, any improvements he might have made to the unit, and with no capital gains tax being applicable. I say that this is a direct and useful concrete proposal that is more feasible than any we have heard in two days of wind from the Conservative party. If the government of Canada would like to act in a meaningful way to deal with the housing problem, then it could do so by adopting this idea.

In this particular area of policy the British Columbia government has already set an important precedent. This has been done essentially in the city of Kamloops, where 45 acres of land has been given to the city on the condition that the land is kept under public ownership and houses are erected on the site. This saves the new occupiers of those housing units \$10,000 to \$12,000 a unit. This is the kind of practical, innovative action that is required. This is the kind of change that we need in land policy, with the government acting as a large developer. We also need a change in the policies of our financial institutions so we can deal in a substantial way with interest rates.

This brings me, then, to the basic question: Do we at this time, over a \$100 million item, decide that we must bring down the government tonight? It has already been indicated that if we did so, the VLA legislation which is required would not be introduced later this week, and this is a factor not to be dismissed. However, I am not speaking on the VLA matter, I am speaking about housing, and I want to deal exclusively with the argument in those terms. In the judgment of the New Democratic Party, the two areas requiring action—that is to say, land speculation in terms of taxation changes, and whatever innovation may be expected in terms of interest rates—are both budgetary items. What we are saying is that it would be wrong on this particular motion to bring down the government on housing policy. We do not say that the government's housing policy, as I have made clear in general terms this afternoon and as I outlined in greater detail two or three weeks ago, is by any means adequate. We intend between now and the date of the budget to continue to press, to badger, to cajole this government into taking appropriate action to deal with housing in the budget. If no appropriate action is taken by then, then the House can watch our vote.

[Translation]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I am glad to take a few moments to comment on the motion of the Progressive Conservative Party. I congratulate the hon. member for Calgary North (Mr. Woolliams) who introduced it.

In my opinion, this is a very current issue since the federal government, through the Ministry of Urban Affairs, does not seem to have met the legitimate expectations of Canadians as concerns housing. Several programs have been introduced by this government since 1968. But they have only taken care of the most pressing problems. In many cases, because of their complexity, they have