

we have entered a period in which the powers and jurisdictions of the provinces vis-à-vis the federal authority are subject to severe strain. The relationship is a tenuous one at best.

The Prime Minister (Mr. Trudeau) is fond of analogies. He once told the Americans our relationship with them was like being in bed with an elephant. I wonder how he would describe our relationship with the provinces. More important, I wonder how some of the provinces would describe their relationship with the federal government. I do not think it is an exaggeration to say that it is not the cosiest of relationships at all times.

It is probable that the government does not like to hear this. Members on the cabinet benches like to think they are experts in federal-provincial relations. It is a fact, though, that there is tension in this country with respect to areas of jurisdiction. I am not saying that all the complaints are justified. There is one province whose government wishes to opt out completely from the federal framework. I would not support that and neither, I am sure, would the majority of Canadians. The fact remains, though, that provinces are resorting to extremes because the government has been too rigid and uncompromising.

Housing is an area in which more real consultation and co-operation are necessary and desirable. There are, of course, areas in which the federal government could and should take the initiative. I have mortgages in mind. The cost of mortgages is far too high in Canada. In the United States the cost is considerably less—below 9 per cent—and for longer periods, up to 50 years I believe. Also, in most states mortgage interest payments and expenditures on home improvement are tax deductible as are municipal taxes.

Our housing committee has suggested a number of alternatives to present policy and these items are worthy of close consideration by the department and by the government as a whole—I am aware that the approval of other departments would be required. Under RRAP, federal funds are available to assist in improving substandard dwelling, but except by special agreement with the provinces assistance is available only to those living in a NIP district. In some localities boundaries are often so close that one house might be eligible for assistance while another on the next street is not.

To be a successful applicant, one must live in an approved neighbourhood. This presents no difficulty in certain areas, but I am in a position of representing federally two provincial ridings, the territorial district of Parry Sound and the regional municipality of Muskoka. In Muskoka, an area must be approved as a NIP area before a RRAP grant can be made. A great many people have written to me complaining that such and such a municipality had not felt it worth while to obtain approval as a NIP area. In the district of Parry Sound, which is part of Northern Ontario, this condition does not apply. I am not sure what arrangements exist in other provinces, but with regard to rural areas and small towns and villages especially, it would seem to me the government could say, "If a municipality does not wish to act on its own we shall lend the money on an individual basis." To my mind this would be a

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step in the right direction and this would lead to better and more housing.

I am aware that time is going by, Mr. Speaker, and that there are others who wish to take part in the debate. While the department of housing and urban affairs has accomplished certain things we feel it still has a long way to go. Consider the insulation program in the light of the \$350 grant now available to regions outside Nova Scotia and Prince Edward Island. A great many of us were disappointed. I am not denying the statements made by the minister and by other members of the government that Nova Scotia and Prince Edward Island face certain very high costs. But this is also the case in other parts of Canada where, I can assure you, Mr. Speaker, it is darned cold. Try telling people in Northern Ontario and Northern Manitoba anything to the contrary. Yes, Prince Edward Island does have to bear high costs, but I am sure those who live in the Northwest Territories, for example, or some of the other areas I have mentioned, would be willing to compare their heating costs with those in Nova Scotia.

The Minister of State for Urban Affairs (Mr. Ouellet) categorically turned down a suggestion made by me, in the course of a question put to him, that the \$350 grant be made tax-free. It does not seem likely, now, that the government will ever agree to that proposal.

There is one other matter. The \$350 is supposed to cover up to two thirds of the cost of the material. Well, two thirds of a loaf is better than none, but we must bear in mind that because of the high cost of insulation and service the average cost per home runs at about \$900 on the basis that 1,000 square feet have to be insulated. Possibly the government could say "Although we cannot agree to making the grant tax deductible we will at least cover the cost of the total amount of insulation."

The minister gave us an interesting figure in committee yesterday. I believe the average grant already paid out amounts to \$211, not \$350. I assume some of the people who occupy very modest homes are the ones who need as much money as possible. Could the grant not be paid regardless of the percentage of the total expenditure which it represents? I do not think this would cost the treasury a great deal. The response to the program has not been as good as the government anticipated, and I am sure those in charge of the program would admit that. I have figures here which show that as of November 25 some 60,000 kits have been distributed; slightly more than 5,000 applications have been received for grants, and 2,270 cheques have been mailed out to a total value of \$508,619. It has not been a great bonanza with, as the government thought, people lining up for it.

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Speaking of people lining up brings another thought to mind. As most of us are aware, anyone who is interested in an insulation loan must write or telephone Montreal and get a kit. We are also aware that Her Majesty's mail does not always move as fast as some of us would hope, but I will give the Department of Energy, Mines and Resources and the