

National Housing Act

minister and was all for freeing the interest rate. As a result, we had the highest interest rates in the country.

Mr. Gillies: And the biggest construction year.

Mr. Gilbert: I will speak about the Conservative record in a moment, and I hope that the hon. member for Don Valley participates in the debate. The third conclusion come to by this task force was that the problem of public housing should be attacked. Public housing has not recovered from the assault made on it by members of the Hellyer task force since that date. They tried to "ghetto-ize" public housing and people instead of telling us what public housing required for improvement. There was a great deal of room for improvement in the form of recreational centres and other social requirements which fit within the public housing concept.

Lastly, the task force talked about direct funding by municipalities to take care of housing. It was on this issue that the Prime Minister (Mr. Trudeau), who is a constitutional purist, differed from the hon. member for Trinity, and they parted ways. The hon. member for Trinity sat as an independent Liberal, then played with Action Canada for a while, and finally joined the Conservative party. So we now have within the Conservative party the two great architects of the Hellyer task force report, the hon. member for Trinity and the hon. member for Don Valley.

From 1969 to the present day three things have resulted from the housing policies of this government. First, the cost of housing is the highest ever experienced in Canada, and this has added significantly to inflation in this country. Secondly, the cost of land is at its highest level. Thirdly, we have the highest interest rates. Last May and June the minister was reminded by me of these three facts, and he bristled with self-righteous indignation at the suggestion that these were the results of his policies.

What is the main criticism of housing policy in Canada today? First of all, the supply of houses in Canada has been dictated by the land developers, the builders and the financial institutions. This really is the major criticism of housing policy today. Central Mortgage and Housing Corporation have responded to this situation with a fawning, suffering acquiescence not worthy of the original intentions of the legislation as set forth in 1946. It has played the part of the friendly banker. It has played the part of the economic regulator by turning the money tap on and off. Now at last it is putting forward a framework that can only be successful if we have an energetic participation and thrust with regard to funding of these programs.

The second criticism is that the government is not taking steps to counter high interest rates, which are a major part of the cost of housing today. The lengthening of the mortgage term is not the answer: all this does is increase the cost of a house. Surely we have a social responsibility in the matter of housing. The profits of banks and insurance companies are nothing short of "Shylockian" and unconscionable. Catering to financial institutions in the hope that they will put up money for mortgages is a ridiculous approach. Surely we should say to them that they have a social responsibility to build homes in Canada and that a certain percentage of their money should be allocated to housing with interest rates no higher than 5 per cent to 6 per cent. This is the money

[Mr. Gilbert.]

that most Canadians put into banks and insurance companies, and if left on deposit earns 3 or 4 per cent interest; but when these people want to buy a home they have to pay the bank anywhere from 9 to 9½ per cent interest. As I say, banks and financial institutions surely have a social responsibility to furnish funds for housing at a reasonable rate of interest.

Thirdly, the government has failed to provide housing at a cost that averages no more than 20 per cent of the personal income of Canadians. What is required is a massive land assembly program by the government, a large volume of public housing and the granting of higher priority to families living on incomes under \$8,000. These are all measures that the government has failed to take.

Yesterday evening the minister, with joyful pride, attempted to give an example of the cost of a home to a purchaser under AHOP, the assisted home ownership program. He said that a married man with a wife and two children could buy a \$19,000 home under AHOP for \$137 a month principal, interest and taxes and would thereby be saving the difference between \$137 and \$170. The question immediately arises: where can homes at a price of \$19,000 be bought? The minister also indicated that a person's income would have to be no higher than \$7,500. Certainly one would be unable to buy such houses in the large cities of this country, so they must be available in smaller towns and cities. I suggest that some people, even in small towns and cities, have a difficult time making \$7,500 a year. Therefore I suggest that the minister's AHOP program will be very limited and unfruitful.

When it comes to solving the problem of inadequate housing for people of low income, this program is what I would call tokenism. I am sure that when the minister goes home tonight and thinks through these things he will have a very uneasy feeling with regard to the success of the program.

Now let me deal with some of the programs that are set forth in the bill. Last night the minister said he had the support of the co-ops, the credit unions and the Social Development Council of Canada for the framework of these programs, but he was quick to underline the fact that that support was conditional upon funding being forthcoming. I hope the co-operatives, credit unions and social development councils will not be disappointed, but it will be at least one year before any visible results are obtained.

• (1510)

In respect of AHOP, I can imagine how many private builders would take advantage of its provisions. In respect of NIP, I feel that only a few cities will attempt in the near future to take advantage of the program. In respect of RRAP, I am sure there will be some exceptions and that is why the minister last night said, I am sure with great reluctance, that he would not indicate the amount CMHC will be prepared to allocate to these funds but will wait until the committee stage of this bill. He did not have that reluctance last June when the government announced several programs aimed at the same problem. In fact, at that time he gave the allocation of moneys and we well recall that one allocation was \$155 million to AHOP. That \$155 million, worked out on the basis of the