

*National Housing Act*

is in the form of a loan that reduces carrying costs during the first few difficult years of getting established in home ownership.

The new AHOP plan will not only help many people make the jump to home ownership; it will be a powerful stimulant for the production of moderately-priced housing. AHOP assistance, as hon. members know, is available only for housing priced within limits established by CMHC in each market area. When we first introduced AHOP, many people said they could not find homes within the price limits. They were right. Many builders said they could not build houses within the price limits. But they were wrong. When mortgage money got tight and AHOP was the only readily available source of financing, they found they could, after all, build good, comfortable houses within the AHOP limits. Many of these houses—the minister and I have seen them ourselves—are of a remarkably high standard of quality and design. The new AHOP program will help us more than ever before to shift housing production in this country away from the high-priced end of the scale toward good, affordable housing that most people need and want.

The bill now before the House would amend the act so as to give CMHC the authority to include existing housing within the terms of the AHOP program. This amendment would be used when funds and the supply of housing seem to warrant this change, but it is not proposed to take advantage of such an extension immediately. We have always maintained that people should have the widest possible choice about the kind of housing they occupy and their form of tenure as owners, tenants or members of co-operative organizations. The recent, very serious decline in housing for rental has restricted that choice for many people who would prefer not to buy a house or who find it convenient, for various reasons, to rent accommodation at certain stages of their lives.

● (1620)

*[Translation]*

The federal housing action program features additional measures to try and achieve economic workability in the rental accommodation market. Businessmen have been reluctant in the past few years to invest in rental housing, because in their opinion the yield of rents to be paid as compared to the cost of providing accommodation will not be sufficient to justify the necessary capital investments. According to trustworthy statistics, they are probably right.

Our rental housing action program is meant to provide lower income people with good rental facilities and owners with the necessary incentive to build houses. That program is now being improved through an increase in the help available yearly for moderate cost rental housing in the form of recoverable, interest-free loans. That help as a whole will still be provided pursuant to an agreement with the corporation in respect of rents and other conditions. Besides a better program of rental housing help, capital cost allowances under the Income Tax Act will remain in effect for two more years. These provisions will enable investors whose main business is not in rental housing to deduct from other income the losses incurred in rental housing investments. Those measures are an incentive to

numerous professionals as well as other people with savings to invest in the rental housing business. Those people have always accounted for the financing of a substantial part of the rental housing stock. Even if that matter does not happen to come under federal jurisdiction, we are highly interested in the matter of rent controls, since it relates to our nationwide efforts to deal with inflation and wage and price increases. Following two meetings with the provincial ministers concerned, I am glad to inform the House that there was unanimous agreement to establish a provincial rent control board where none now exists. When the minister launched this debate, he intended first of all to make sure that systems of rent controls would be established throughout Canada with a view to a full implementation of the anti-inflation program. Secondly, to the extent possible, we wanted those programs to be implemented uniformly throughout Canada. Since a number of systems are already in operation, and all provinces had to cope with their own particular conditions, we think our target was reached.

*[English]*

While many Canadians have housing problems, we are, generally speaking, among the best housed people in the world. Hon. members who have had the opportunity, as my minister has, to see the quality of housing in Europe and other parts of the world, will, I know, confirm that judgment. The fact is that many Canadians are not only well-housed, they are overhoused. Many people bought their houses years ago, on long-term mortgages, at prices and interest rates which are now well within their means. They have built up a very substantial equity in their home and, when they decide to buy a bigger or a newer house they have the capital to bid house prices almost out of sight. This kind of trading has had a serious effect on the market in terms of inflating prices and creating an unrealistic demand. We do not blame anybody who can make some profit out of selling the family home, but we cannot afford any longer to commit a disproportionate share of our national resources to the expectations of well-housed people who are mainly interested in improving their capital investment.

The federal housing action program will slow down this merry-go-round of rising expectations by requiring that the most favorable credit terms—high ratio, low downpayment mortgages—will be available only for modestly-priced housing that falls within National Housing Act loan limits. People who want large and luxurious houses will have to put up at least 25 per cent of the money themselves.

I have been talking about housing in terms of people's needs because housing is essentially a social commodity. If we are going to serve people's needs properly, however, we have to approach it from a national, economic perspective as well as a personal and social point of view.

If we are going to ensure that there is enough good housing to meet people's needs from now until 1980—taking into account household formations and a number of other factors—we will have to construct a million new houses in the next four years. When this program was announced in the House a few weeks ago, Mr. Speaker, my minister expressed the government's commitment to this