

Minister of Public Works responsible for housing made no reference to it. Before this debate is over I suspect we will hear more, probably a great deal more, about the letter.

One thing this letter does implicitly is to suggest there are inadequacies in this measure which is now before the House. This measure will do nothing to address the deficit in housing starts we will be facing in this current year. If nothing else, those ten hon. members have done a service by underlining that fact. To my recollection, there is no similar precedent to this happening in the past 20 years, where a minister of the Crown would publicly comment and criticize a bill on the very day that second reading debate is to commence. As I say, Mr. Speaker, I suspect there is a great deal more to it than meets the eye.

In order to put this monumental problem of the housing crisis in perspective—a crisis which is unprecedented since the Second World War when Canada Mortgage and Housing had to become directly involved in the housing construction industry to satisfy the needs of returning veterans—we should go back a decade to review the report of the Hellyer task force. For those hon. members who may not recall, Paul Hellyer was the deputy prime minister, minister of transport and minister responsible for housing. He felt so strongly about the housing problem and where it was headed that he put together a task force over which he presided and went across Canada to hold public hearings. He introduced a report with recommendations and a declaration of principles. It should be remembered that the executive assistant to the then minister of transport was none other than the present Minister of Employment and Immigration (Mr. Axworthy), who I suspect played a large role in writing the report.

I would like to quote one or two points from this declaration of principles contained in the recommendations of ten years ago. They are as follows:

1. Housing and urban development are an urgent priority for the people of Canada and must be treated as such by their elected representatives at all levels.
  2. Every Canadian should be entitled to clean, warm shelter as a matter of basic human right.
- (1610)
3. While it will take some time to realize this goal, a concerted effort is required by all concerned—governments and the private sector—in the years immediately ahead. A minimum objective must be to produce one million additional housing units within the next five years.

If the government of the day had taken the report of that task force seriously and implemented the recommendations of that task force—and we have the same Prime Minister and essentially the same government—we would not be facing the monumental problems in housing that we have today.

What happened? The recommendations received such a negative response from the Prime Minister and the members of the government that shortly after the presentation of the report the man who held the second highest elective office in the country, the deputy prime minister of Canada and the minister responsible for housing, saw fit to resign from the cabinet over the failure of the government to respond to the recommendations of the task force.

### *Housing*

The present minister responsible for housing has not been a member of this House for very long, although he comes here with the experience of his municipal background, and I know from the pronouncements he made prior to the budget that he expected a great deal more from the government. All we have to do is read from that famous leaked document of October, a presentation made to the cabinet over the signature of the Minister of Public Works who is minister responsible for housing, wherein he identified the seriousness of the problem. One would have expected, consistent with what the Hon. Paul Hellyer did, that when the government failed to act on the advice contained in that document to respond to the alarm expressed in that document, the Minister of Public Works, who as I say is the minister responsible for housing, would have resigned from the cabinet.

**Mr. Cosgrove:** Have you read the Matthews report?

**Mr. McGrath:** If the government does not change its disastrous course, perhaps it will come to pass that the Minister of Public Works will have no choice but to do the honourable thing and resign from this government and divorce himself from the disastrous policies of the Minister of Finance which he now has to carry on his back.

Let us take a look at that leaked document. Although it has been quoted in this House, it bears repetition because of its relevance to the bill now before the House and the failure of the government to respond. The document dealt with the implications of the current level of mortgage rates in the housing sector and the impact of prolonged high interest rates. The leaked document states at page 7:

Over the next two years approximately 1.2 million households will be renewing their mortgage. Most of those renewing will be able to do so although the adjustment will be painful. For those households house payments will increase but they will still be paying less than 30 per cent of income for mortgage debt service and taxes.

It then goes on to say:

An estimated 30,000 to 40,000 households cannot even take the steps to help themselves and retain their home. They would have to pay well over 30 per cent of household income for principal, interest and taxes. For these households the situation is one of hardship. Their choices are to pay a very large proportion of their income to retain their home, try to sell their home, or just walk away and face foreclosure.

We know that the proposals contained in this bill will affect only about 12,000 households in Canada out of approximately 900,000 which will be renewing. It barely addresses the problem, and those who are in "dire straits"—a term used by the Prime Minister in addressing what the government intended to do; he suggested it would help those in dire straits—can look forward to a one-time payment. Yet we are told that mortgage interest rates are on the way back up again after falling from the high of 21.4 per cent of last September. We are told they are on their way back up again and will again reach 20 per cent this year.

The problem of lack of housing can best be described in terms of availability and affordability. Let me deal with availability for a moment. On Friday, February 5, CMHC reported that housing starts fell to the seasonally adjusted