

Housing

housing, if not on the minister responsible for housing, to see whether they are fulfilling their mandate to the public of Canada.

I want to begin by saying that I have a very definite position with regard to accommodation. I have never been quite able to understand how it happened that the provision of accommodation became a matter which was viewed in almost the same way as luxuries are viewed. It was left to the whim of the marketplace, to the decisions of the individual private investor and, to a large extent, to the decisions of the financial community to decide whether people could or could not have housing at a price they could afford. I have never in my life been able to understand the rationale for putting housing in other than a priority position in terms of guaranteeing people from all walks of life the opportunity to have decent accommodation within their capacity to pay.

● (2010)

I remember the time when I was a younger man, not so many years ago, fairly recently married, and we were looking for a home. In those days we calculated that if we were to spend between 25 and 28 per cent of our income on accommodation costs, that was principal, interest and taxes included, that was considered by most to be the maximum we could afford. I am sure you, Mr. Speaker, and also the minister of housing went through a similar situation where you were likely the only breadwinner in the family, the only one working. I was the only one who was working. In my case, I had a wife and three small children at home. I was working in a fairly average kind of job earning what was an average wage. In fact, I will tell you, because it may interest you, why I feel so badly about what has occurred.

In 1963 we were not long married, maybe four years, and we had three small children. I recognize that that was no one's fault but our own, but nevertheless, that is one of the facts. We had those three small children and we were looking for a home.

After having looked at a fairly large number of homes, we struck upon a three-bedroom bungalow. It had 1,160 or 1,180 square feet. I am sure you know the kind I mean. A lot of them were built during that period. It was a white brick house, full basement, one-floor plan, single bathroom, small rooms, the usual kind.

When we bought it, it cost \$14,880. We had managed to scrounge together, with the aid of my father, something in the order of \$2,000. That left us with a mortgage of about \$13,000. We took it on. In 1963, it cost us \$88.60 per month for the principal and interest. In cost an additional \$25 per month for taxes.

I was working in the fire department, earning \$5,200 a year. I assure you, Mr. Speaker, the story has relevance. I had to go to the chief of the fire department to get a letter to prove that within a few short weeks I would actually get to the lofty heights of making \$5,200 a year. I took on that responsibility, and I was the only person in that house who was working. Remember the figures, because they are quite important to my story. The house was worth \$14,880, the principal and interest

\$88.60 a month, and I was earning \$5,200 a year. I could afford it. Not only could I afford it, but every second week I could buy a 90 cent pizza and half a dozen beer.

I tell this story because if my older son, who would now be of age to work for the Hamilton fire department, were to go there and get a job today, he would earn about \$28,000 a year. That would be five and a half times as much as I was earning.

We have lived in this house since he was a baby. We still own it. My family are still there. If he were to buy that house today, it would cost him between \$50,000 and \$60,000 to purchase it. What worries me is that today on that income he would not qualify for the mortgage on that same house.

I tell this story because it is with that as a backdrop that I want to speak about housing. What has happened in this country is that we have allowed housing to become a luxury. I could make comparisons in any situation, not only 1963 to 1982. We would find, almost without exception, that, taking average-income people in both periods of time and house prices in both periods of time, that they could afford to buy a house in 1963 on the income they were earning and cannot afford to buy a house in 1982 on the income they can earn doing the same job some 20 years later.

That is the major problem with the housing situation. We have allowed, for any number of reasons, none of them good in my opinion, housing to reach a point as far as cost is concerned where the average individual no longer has a fair shot at buying a home of his own within his ability to pay for it in his lifetime.

The house that I talk about which we bought will be paid off in a maximum 25 years. Sometime in 1988 that home will be fully paid. From 1988 on I will not have to pay anything. Even if my son were to assume responsibility for the mortgage, if he were able to raise the down payment to allow him to make the payments today, he would never pay it off. He would retire long before he ever reached the final payment.

I tell the story because I believe it is indicative of the problem which confronts many Canadians as they try to find a place to live. Rent controls may have been a problem for some people. However, it is only because of rent controls, at least in the province of Ontario, that rental accommodation has not skyrocketed in the same way as housing prices have. It is only because those controls were put in place.

It worries me every time I hear or read about the minister speaking about removing rent controls. You cannot remove rent controls until there is a sufficient number of units available to hold the price down by virtue of the ability of people to move from one place to another and leave where they are if the rent is too high. You cannot take off rent controls unless you are prepared to take those necessary steps.

I will get on to the situation as I see it. Inflation is a worldwide problem. The other day I questioned the Minister of Finance (Mr. MacEachen) about the possibility of some measures to deal specifically with mortgage interest rates. He responded by saying that he too was worried about it. I must