

So we are dealing again, in December, 1975, with a subject which will not go away. The record is clear, that we will not achieve the objective which the minister set forth at the end of 1974 of building 210,000 units.

Mr. Gauthier (Ottawa-Vanier): Sure.

Mr. Orlikow: There would have to be a fantastic spurt in order to accomplish that.

Mr. Cyr: It is a fantastic government.

Mr. Orlikow: Yes, fantastic in the number of mistakes it can make. It is interesting that there are interjections from two government members from the province of Quebec.

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, I rise on a point of order. Although I am very pleased to be a Franco-phone, I was born and raised in Ontario and I am still living in Ontario.

Mr. Orlikow: It is an indication of how seldom the hon. member speaks that I confused him as being a member from Quebec. The point I want to make is still valid, that we have a government which has co-operated with the provincial government of Quebec and the city of Montreal in the expenditure of what will likely be more than \$1 billion for a two week extravaganza called the Olympics in a city of 2.5 million people which is still dumping its raw sewage into the St. Lawrence river, a city which, I was told by a member of the city council in Montreal less than a week ago, will have to defer the construction of a sewage disposal system for four to eight years because they have borrowed so much money for the Olympics that they cannot borrow the money required to build a sewage disposal system,

Montreal is a city which every year builds fancy office buildings which are occupied by business tenants who write off 50 per cent of the rental costs as a business expense in the form of tax deductions, a city which each year has demolished several thousand moderately-priced housing units and replaced them with nothing, so that the obtaining of housing at a reasonable rent becomes ever more difficult. This is the kind of government which hon. members on the other side interject to defend. I am glad to see them do it because I think the record speaks for itself, particularly in that province.

It is not surprising that housing starts are not what they should be, because the government has refused to address itself directly to those elements which affect housing prices. Also, under the present anti-inflation program we can be certain that interest rates, which are the largest expense of the house buyer and are not controlled, will continue to stay high, and that land costs, which are the second largest part of the cost of a house, will not be reduced as a result of this bill or anything else that the government is proposing. There is no provision for land assembly. Speculative gains on land sales are not controlled under the anti-inflation program. Therefore, what we are faced with is a constantly increasing cost of housing.

Let us deal with the question of interest rates. My colleague, the hon. member for Broadview (Mr. Gilbert), speaking in this debate yesterday illustrated the situation

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in the city of Toronto. You could make the same calculations for my city of Winnipeg or for Montreal or Vancouver. For a house in Toronto, the average cost of which is \$57,500—let us suppose that a person can find \$17,500 for a down payment—a person would have to carry a \$40,000 mortgage. At present, the interest rate is 12 per cent, so he would be paying \$413 a month principal and interest for 25 years, making a total for that \$57,500 house of \$141,150, \$83,650 of which would be for interest charges.

There are many people who bought houses five years ago when the interest rate was 9 per cent. They can only get a mortgage at that rate for five years, at the end of which time they, like everybody else, have to renegotiate the mortgage. The present rate is around 12.5 per cent, and on a \$40,000 mortgage, amortized over 25 years, people who bought a house five years ago at 9 per cent interest will find that their monthly mortgage payments have been raised by \$96, that is, \$1,152 a year of what was discretionary income on their part which must be diverted into mortgage payments, not to mention rising property taxes, fire insurance rates, etc.

It is no wonder that people in other businesses, such as food, entertainment, appliances, etc., are wondering where they will be able to get their customers. The housing crisis is just as bad, if not worse, now than it was a year ago when the minister announced his program. In my own city of Winnipeg, which is far from being at the top of the list in terms of rate of growth and therefore a long way away from having houses at prices which are obtainable in cities such as Vancouver, Toronto or Ottawa, there is a tremendous shortage of housing. Last August, the *Winnipeg Tribune* carried an article headlined "City housing crisis forecast." Let me put on the record a few paragraphs from that article, written by Nick Hunter, a *Tribune* staff writer. He wrote the following:

● (1650)

Winnipeg will stumble into a major housing crisis next month when apartment vacancies slide to near zero, private developers and government spokesmen say.

Winnipeg's apartment vacancy rate was 1.5 per cent during the last CMHC survey in April, a stunning drop from the 2.6 per cent rate of mid-1974 and a high 5.5 per cent in January, 1972.

In another article he wrote:

Houses in Winnipeg are selling at a record pace despite soaring prices and high mortgage interest rates.

The average price of a home on the Winnipeg real estate board's multiple listing service was \$32,297 at the end of July, compared with \$26,054 at the same time last year.

In other words, that is an increase of \$6,000 in one year. Later in the same article he says:

To the end of July this year, construction starts in Winnipeg were made on 1,415 single-family and semi-detached homes, a 30 per cent drop from the same period in 1974. There were 1,242 houses completed, a 26 per cent decline from the first seven months of last year.

As hon. members opposite have said, there has been some improvement, but certainly the number of homes built in Winnipeg will not increase this year and will come nowhere near meeting the needs of the people. I have already indicated that the largest factor in the high price of houses is the cost of mortgages. One would think that this was necessary, when in fact the mortgage rate has been determined by the continued intention of the govern-