

Affairs on, I think, November 12 before the Property Forum in Toronto. I happen to read the speeches of these people, and the more I read them the more I think they realize there are serious problems. But I also realize they cannot solve the problems by the methods they are using. Quoting figures with regard to the supply problem which we have, the parliamentary secretary said:

It is true that most Canadians have good or at least adequate housing, but recent statistics show beyond doubt that far too many Canadians have serious housing problems. For example, almost 825,000 Canadian families pay more than 25 per cent of their income for housing. In fact, more than 280,000 pay over half their income for housing.

That is over 50 per cent, Mr. Speaker:

It is hard to believe, yet it is true that in this civilized country some 460,000 households have no sanitary facilities or, if they have, are required to share them with neighbours. Additionally, about 445,000 households are overcrowded even by minimum standards.

And finally, it is a shocking fact that 120,000 households in this country are both overcrowded and lacking in their own sanitary facilities.

This is the problem we face in Canada today. The problem was ably set out by the parliamentary secretary this afternoon and persuasively set out by the minister before the Property Forum in Toronto on November 12. We have set forth the problem of supply, and it is a serious problem. The problem lies in the supply, in the cost of land, in the high cost of mortgages and in the high cost of houses. With regard to the cost of land, we have a serious shortage of serviced land and the days of the small builder are numbered. Land is controlled by developers and they release it at their own convenience. Their convenience is determined by the profits they can make. They release it when they can obtain the highest possible price. This is not only our finding but it is also the finding, through CMHC, of Peter Spurr who reported in the *Globe and Mail* a short while ago that the minimum profit developers make from one acre of land is \$89,000.

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Is it any wonder the developers control the land and release it when it is to their best advantage? Mr. Peter Spurr also pointed out in his report to CMHC that in the Toronto area 40,000 acres of land are controlled by 12 developers. I am sure that is shocking news to the hon. member for Spadina, because I know he is concerned about the high cost of housing. Land in the major cities is controlled by developers across the country—Halifax, Montreal, Toronto, Winnipeg, Regina, Edmonton, Vancouver—

Mr. Hogan: Is Cape Breton in there?

Mr. Gilbert:—and Cape Breton. The developers control it and release it when it is to their best advantage. That is the problem with respect to the cost of land. The parliamentary secretary had no answer today on the high cost of land. He did not say that the federal government would infuse large sums of money into the housing program in order to buy land, so they would have control of it and release it for building purposes, more especially to low and moderate income people. There is no mention of any help to control the high cost of land.

My third point is the high cost of mortgages. In committee a few days ago, I asked Mr. Teron, president of CMHC,

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what the prevailing interest rate would be in the next six months, and he said 11¼ per cent to 12 per cent. He gave no assurance of a significant downturn in the next few years, and he is probably right. The Housing and Urban Development Association of Canada—HUDAC—stated on November 14, in an article in the *Globe and Mail*, that the interest rate would probably be 12¾ per cent for the next 18 months. They said:

This is largely due to the fact that continuing inflation will induce lenders to include this factor in establishing their rates.

Madam Speaker, the president of CMHC agrees with HUDAC that we will have a minimum interest rate of 12 per cent. This is certainly not a very happy situation for most people who buy homes. I get a gut-twisting feeling, Madam Speaker, about this. Surely some of these financial institutions and private lenders must feel they are not bordering on usury but practising usury. The problem of high mortgage rates was set forth in an article in the *Toronto Star* within the last month. It was stated that in Toronto the average cost of a home was \$57,500, and if a person had \$17,500 for a down payment—which is most unusual—it would leave a \$40,000 mortgage at 12 per cent interest. They would pay \$413 a month principal and interest for 25 years, making a total of \$141,150—\$83,650 of it in interest charges. Can you imagine that, Madam Speaker: a person buys a home for \$57,500 and at the end of 25 years he will have paid \$141,150, of which \$83,650 will be interest? The article says that to carry that mortgage, the family income, by the accepted rule of thumb, should be \$19,804. The average family income in Toronto is only \$15,742.

The same article set forth solutions to control interest rates. I would underline, again, that the legislation has nothing in it about controlling interest rates, and in fact the Anti-Inflation Board is doing nothing about it. That is one of the reasons so many of us oppose Bill C-73. The writer said we should take a leaf from New Zealand's book, where interest rates are 5.5 per cent on a 30-year term. There is not a country in western Europe with the high interest rates that we have here in Canada, yet the government does little or nothing about it.

I said a moment ago that the cost of a home in Toronto was \$57,500 in the month of October; in November it went up to \$59,325, and the cost of a condominium town house in Toronto is now \$48,609. The parliamentary secretary and his officials in the gallery should note that fact. The hon. member for Spadina realizes that under the AHOP program the regional limit for Toronto is \$43,000, and he and other Liberal members must pressure CMHC and the minister to increase regional limits across the country. In Ottawa the limit is \$35,000. That is not sufficient to meet the cost of housing today. The spokesman for the Conservative party pointed to the same problem in Winnipeg.

What is this government doing? We have a CMHC capital budget, and in the past few years the government has said, "We are going to attempt to get into social housing fields, and we are going to make sure that people in low and middle income brackets are taken care of." May I point out that in 1970, 24.3 per cent of the CMHC budget was for public housing; in 1972 there was a tremendous thrust and it went up to 37.3 per cent. Then we got the AHOP program in 1973, and public housing in 1974 dropped from 37.3 per