

Mr. John Gilbert (Broadview): Mr. Speaker, Bill C-46 is another step in fulfilling the soft-shoe dance of the Minister of State for Urban Affairs (Mr. Danson). When we review Bill C-46 with the other step of the \$500 grant to first-time purchasers of new homes within defined price limits, it would be fair to say the minister has now earned the reputation of the "Fiddler on the Roof." The only thing that was missing this afternoon was the musical accompaniment of the executive members of CMHC sitting in the gallery.

Bill C-46 is another gimmick by which the Minister of State for Urban Affairs and the Minister of Finance (Mr. Turner) hope to solve the serious housing and unemployment problems in Canada. These gimmicks will not work in 1975. There is little hope of increasing housing starts, lowering interest rates and the cost of land and bringing down the high cost of housing. What is the present housing situation in Canada? Here it is, seen through the eyes of the Minister of State for Urban Affairs when he spoke to the Toronto Home Builders Association on December 3, 1974:

There are some hard facts we must face up to in meeting this challenge.

Almost 800,000 Canadian households spend more than 25 per cent of their gross income on shelter. Even more disturbing is the knowledge that 107,000 tenant families with incomes under \$3,000 spend over 50 per cent of their incomes for shelter. These are hardly comforting statistics, nor is the fact that there are some 500,000 housing units in Canada requiring rehabilitation or replacement.

He went on to state:

The present shortage of suitable accommodation at affordable prices in Toronto and other cities across Canada is not acceptable. It is not acceptable to the people who need housing in communities where the shortages exist. It is not acceptable to the federal, provincial or municipal governments and surely it is not acceptable to builders either.

Another paragraph reads:

I am particularly concerned about the shortage of apartments and other types of accommodation for rent. For this kind of housing, starts declined nearly 60 per cent in the first ten months of the year. Rents, on the whole, have not increased at nearly the rate of other costs, but the continuing vacancy rates of less than 2 per cent in major centres could produce pressures on rents that are unacceptable.

That is the housing situation as seen through the eyes of the Minister of State for Urban Affairs. Now we come to what CMHC has to say about housing. In its final report for the year it suggested that 1974 represented a 17 per cent decline in housing starts as compared to 1973. In other words, Mr. Speaker, there was a shortfall of 50,000 housing units in 1974 compared to 1973. Worse than that, this is the worst housing record since 1970. It is not a very impressive record for 1974 when we have the Institute for Policy Analysis at the University of Toronto forecasting 198,000 starts, and the Conference Board of Canada forecasting 183,000 starts for 1975.

Seen through the eyes of the people of Canada, we have experienced and are continuing to experience the highest prices for homes, for land, for interest rates and for rents that Canadians have ever seen. Canada does not need a "Fiddler on the Roof." What we want is a policy to solve the housing crisis, and we need a minister that will implement such policy. When I look at Bill C-46, these are the solutions I see contained therein, and these are in keeping with the stated philosophy of the minister to give more

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"bang for the buck" to his friends in the building industry, the developers and financial institutions: solution No. 1 is payments in subsidies to private lenders; in other words, the banks, insurance companies, trust and loan companies, Caisses Populaire and credit unions who lend mortgage moneys to borrowers who qualify under AHOP. The program is confined to new construction and the grants of up to \$600 a year may be given to help reduce the payment of principle, interest and taxes.

One might quite properly ask who qualifies: is it the low and middle income people in Canada? The answer is, absolutely not; the persons who qualify are those in the affluent, middle-class households. The minister has defined low income households as those with an income of between \$8,000 and \$12,000 per year. Do those families qualify under Bill C-46? Absolutely not. Do the 107,000 people in Canada who have incomes of less than \$3,000, and pay 50 per cent of that income for rent, qualify? Absolutely not. Do the families in Vancouver and Toronto earning less than \$19,000 qualify? Absolutely not. Do the people in Ottawa earning \$18,000; in Halifax, \$16,000; in Saint John, \$15,000; in Montreal, \$14,000, qualify under Bill C-46? Absolutely not.

● (1550)

If they have to buy a condominium—and that is about the only type of home that the minister likes to provide for people in Toronto, and more especially family households—they do not even qualify if they make \$16,000 in Toronto, \$14,000 in Vancouver, \$13,000 in Ottawa, \$10,000 in Montreal, \$7,200 in Saint John and \$13,000 in Halifax. With regard to their related incomes, none of the provisions under Bill C-46 apply to these people: they just do not qualify. Only the affluent, middle-income families qualify. I can only sum up by saying that Bill C-46 is socialism for the rich.

A second criticism with regard to the main thrust of Bill C-46 is that the measure of subsidies to private lenders is an inefficient use of scarce capital resources. At best, the grants will lower interest rates by 1½ per cent to 2 per cent. This means that the present rate of 10¼ per cent will be lowered to 8¾ per cent or 9 per cent. The minister is very fortunate, because only in the last few days the rate was dropped by CMHC from 11¼ per cent to 10¼ per cent. This means that that slight drop will be quite insignificant to most purchasers of homes. If CMHC could borrow its money from the treasury at 9 per cent, and this will be the new rate at which they will borrow, and then apply those moneys to public housing, it would mean, with the subsidies which would apply, the interest rates would not be 8¾ per cent and 9 per cent but 7 per cent and 7½ per cent. That would be a more effective use of this money for the low and moderate income people of this country. But no, Mr. Speaker, the minister does not want to help people in public housing; he wants to subsidize the private lenders. The result of subsidizing the private lenders will be higher interest rates and higher payments. That is the great contribution of the Minister of State for Urban Affairs.

Mr. Nystrom: Danson the darling.

An hon. Member: Just filling in time, are you?